

[COMMITTEE PRINT]

ACTIVITIES OF THE AGING COMMITTEE
IN THE 101ST CONGRESS
FIRST SESSION

A REPORT

PRESENTED BY

THE CHAIRMAN

OF THE

SELECT COMMITTEE ON AGING
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION



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PREFACE

In 1974, Congress established the House Select Committee on Aging, and gave it the mandate to "conduct a continuing comprehensive study and review of the problems of the older American," and to "study the use of all practical means and methods of encouraging the development of public and private programs and policies which will assist the older American in taking a full part in national life."

The House Select Committee on Aging, in the first session of the 101st Congress, continued to aggressively pursue its Congressional mandate, by remaining in the forefront in examining and addressing the needs and concerns of this nation's elderly. The Committee, through such activities as hearings, briefings and reports, comprehensively reviewed problems and policies affecting the elderly. In the critical areas of health, employment, housing, human services and Social Security, the Committee highlighted the concerns of the elderly, and proposed solutions to various problems. The special problems of the poor, mentally and physically disabled, women and minority elderly continued to be subjects of particular interest to the Committee. The Committee also continued to look into the future, to begin planning for changes in the demographic make-up of this nation's population, and the growing number of older Americans who will be a part of it in the next century.

This report provides an overview of the Committee's many activities in the past year. It is my hope that it will assist Members, their staffs, and the general public in understanding the complex problems confronting the elderly, and serve as a guide to addressing these problems in the future.

EDWARD R. ROYBAL,
Chairman.

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PART I

INTRODUCTION

I. BACKGROUND HISTORY AND COMMITTEE RESPONSIBILITIES

The Permanent Select Committee on Aging was established on October 2, 1974 when the amendments to H. Res. 988, the Committee Reform Amendments of 1974, were adopted by the House. The amendment was subsequently incorporated in the Rules of the House of Representatives as Rule X 6(i), which reads as follows:

(i) There shall be in the House the permanent Select Committee on Aging, which shall not have legislative jurisdiction but which shall have jurisdiction:

(1) to conduct a continuing comprehensive study and review of the problems of the older American, including but not limited to income maintenance, housing, health (including medical research), welfare, employment, education, recreation, and participation in family and community life as self-respecting citizens;

(2) to study the use of all practical means and methods of encouraging the development of public and private programs and policies which will assist the older American in taking a full part in national life and which will encourage the utilization of the knowledge, skills, special aptitudes, and abilities of older Americans to contribute to a better quality of life for all Americans;

(3) to develop policies that would encourage the coordination of both governmental and private programs designed to deal with problems of aging; and

(4) to review any recommendations made by the President or by the White House Conference on Aging relating to programs or policies affecting older Americans.

The Honorable William J. Randall of Missouri was appointed the first chairman of the new Select Committee on Aging by Speaker Carl Albert on February 6, 1975.

The Honorable Claude Pepper succeeded as chairman on January 17, 1977, having been appointed by Speaker O'Neill.

The Honorable Edward R. Roybal succeeded Congressman Pepper as chairman in January 1983, also having been appointed by Speaker O'Neill.

Since it actually began operation in 1975, the Committee has been in the forefront of Congress' examination of those issues of concern to older Americans. The Committee has taken a leading role in focusing attention on critical issues of the day having a fundamental and pervasive impact on the health, welfare, employment

and financial security of this nation's elderly. Pursuant to its Congressional mandate, the Committee is primarily an investigative committee, and specifically has no legislative jurisdiction. However, the Committee can, and does, make recommendations to appropriate committees of the House on legislative concepts that it has developed through its investigative process. Because of its unique mandate, the Committee has the ability to provide oversight, strategic planning and cooperative efforts on aging issues. The Committee has acted as a catalyst in the development of legislative enactments and the promotion of federal administrative agency initiatives. Furthermore, the Chairman and Members of the Committee have sponsored legislation and appeared before committees of the House and Senate to urge review of important legislation relating to aging and aging issues.

II. COMMITTEE SERVICE FUNCTIONS TO MEMBERS AND THE PUBLIC

The Committee and its staff provide extensive information and public service functions to the general public, and Committee Members and their personal staffs. The Committee, in recognition of the importance of educating the public regarding the special problems, needs and concerns of the elderly, engages in a wide dissemination of information on a number of topics of importance to the elderly. In addition, as the Committee currently has the largest membership of any standing committee of the House, much staff attention is devoted to providing services to Members.

i. INFORMATION AND TECHNICAL SERVICES

The Committee is recognized as a valuable resource in providing information on aging and the aged. In this regard, Members and Committee staff frequently participate in conferences, meetings, symposiums and other general meetings which raise, or have as their topic, issues of concern to the elderly. Committee staff also assist Member offices in the preparation of speeches, reports, information papers, and legislation concerning topics relevant to aging and the elderly.

The Committee staff may, in certain instances, provide support to Member offices in the preparation of field and national hearings of the Committee, as well as provide relevant informational services on the topics of such hearings. In addition, Committee staff, upon request of a Member, may provide technical or other assistance for the Member regarding his or her participation in an event involving aging issues.

The Committee staff maintains an expertise in such areas as health and long-term care, housing, human services, employment, Social Security, consumer interests, retirement income, and other associated topics concerning aging and the aging process. As such, the Committee responds to numerous telephone calls, letters and other public inquiries from Member offices, the general public, universities, law firms, federal agencies and other entities which need either assistance or information from the Committee. It is estimated that the Committee responds to substantive questions on an average of 75 to 150 telephone inquiries per day. The Committee re-

sponds to large volumes of mail from members of the public, constituents of Members and other organizations which desire information from the Committee.

The Committee also assists with the preparation of source materials, prepares analyses of bills, reports on the status of legislation, and identifies issues critical to the elderly.

An important part of the Committee's information gathering is conducted through its oversight and investigative responsibilities. Under these functions, the Committee maintains contact and reviews the operation of executive agencies with programs which concern the elderly. In this way, the Committee can determine whether the Congressional directives are being observed, determine whether and to what extent new problems or issues are arising under these executive programs, and provide and prepare legislative recommendations on issues affecting the elderly. The Committee also works in close consultation with those other committees of the Congress that have legislative jurisdiction over programs affecting the elderly.

ii. PUBLICATIONS

The Committee provides a valuable resource through its various reports, staff analyses, publications and committee prints. These documents provide extensive substantive information on the topics covered to assist Members, their staffs, interested parties and the general public on the issues involved. A typical example of a Committee publication providing such services is the annual "Federal Income Tax Guide for Older Americans," which assists Member offices and constituents in handling various tax problems particular to elderly taxpayers, and provides relevant telephone numbers for referral and other counseling services on tax matters.

iii. NATIONAL AND FIELD HEARINGS

Part of the Committee's public information process is represented by both national and field hearings conducted by the Full Committee and its Subcommittees. These hearings offer Members and their staffs an opportunity to address significant questions of importance to older Americans in such diverse areas as Social Security, Medicare and Medicaid, employment and training, age discrimination, housing and human services. National hearings primarily focus on questions of general interest to the elderly. Field hearings offer members and their staffs an opportunity to obtain a wider range of views on issues, to personally meet with members of the public outside of the Washington, D.C. area, and discuss with them problems affecting the elderly, and to observe first hand specific problems in particular regions of the country. Committee prints from both national and field hearings provide valuable information concerning the subject matter of these hearings, and enable Members, their staffs and the general public to monitor the Committee's review and progress on issues. The Committee also holds joint hearings, frequently with committees that have legislative jurisdiction over the subject matter of the hearings, which allows the Committee to join resources with these committees to effectively address issues of mutual concern.

During the first session of the 101st Congress, the Full Committee conducted and issued: 7 national hearings, 4 field hearings, 4 joint hearings, and 2 reports. The Subcommittees also conducted and issued the following: Subc. 1—Retirement Income and Employment—3 national hearings, 1 field hearing, 1 joint hearing, 1 report; Subc. 2—Health and Long-Term Care—1 national hearing, 1 field hearing, 1 joint hearing, 2 reports; Subc. 3—Housing and Consumer Interest—0 national hearings, 2 field hearings, 1 joint hearing, and 2 reports; Subc. 4—Human Services—4 national hearings, 2 field hearings, 3 joint hearings and 1 report.

The Committee and its Subcommittees, in the first session of the 101st Congress, conducted a total of 15 national hearings (not including joint hearings), 10 field hearings (not including joint hearings) and 7 joint hearings, and issued 8 reports, bringing the total number of hearings and publications to 40.

III. MEMBERSHIP OF THE FULL COMMITTEE, 101ST CONGRESS, FIRST SESSION

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OLYMPIA J. SNOWE, Maine

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(Ex Officio)

PART II

COMPREHENSIVE DESCRIPTION OF COMMITTEE ACTIVITIES—101ST CONGRESS FIRST SESSION

I. FULL COMMITTEE

HEALTH

During the first session of the 101st Congress, the Health Group of the Select Committee on Aging has been involved in several areas: Alzheimer's legislation, federal budget cuts, the Gramm-Rudman-Hollings Amendment, the rising Medicare Part B premium, out-of-pocket health care costs for the elderly, catastrophic health insurance, Medicaid expansion for the elderly and nonelderly, the financial risk of long-term care, long-term care legislation, national health plan legislation, nursing reimbursement, the cost versus quality debate, impact of Medicare cost containment on hospital care and access to post-hospital care, health care quality (especially home, nursing home, HMO and ambulatory care), accessibility and quality of mental health care, rural health care access, the rights of the terminally ill, health care needs of special populations, multi-generational equity, retiree health benefits, health research, and other issue areas. Since the Chairman assumed the chairmanship of the Committee's Subcommittee on Health and Long Term Care, there has been a coordinated effort between the activities of the full committee staff and the subcommittee staff on issues such as long term care, the Medicare Catastrophic Coverage Act, and the Bipartisan Commission on Comprehensive Health Care (the Pepper Commission).

HEALTH BUDGET

The Committee was involved in oversight and legislative activities related to the budget process, and impact of cost containment on the elderly's access to quality health and long-term care, and the elderly's health-related financial risk and costs. In March, the Committee held a hearing, "Medicare and Medicaid Budget Priorities in the 1990s," to assess the Administration's health budget priorities into the next decade. Testifying on behalf of the Administration was the Director of the Office of Management and Budget, Richard Darman. Though opposed by the Chairman and other Committee members, the Administration and Congress did increase Medicare beneficiary costs by again raising the Medicare Part B premium. As supported by the Chairman and other members, Congress and the Administration took steps to improve Medicaid benefits for women and children and to preserve the Medicaid benefits passed last year under the Medicare Catastrophic Coverage Act. In spite of expression of concern by the Chairman and other members over the adequacy of hospital payments, the Administration and the Congress made cuts in hospital and physician payments.

As it has done for several years, the Committee evaluated the budget insofar as the Committee fought for the aged by limiting increases in elderly out-of-pocket costs and by preserving program

benefits. Efforts included the release of responses to the President's budget; Committee dear colleagues and press releases opposing Medicare and Medicaid cuts; and Committee initiatives to protect health and long-term care programs from cuts and restrictive regulations.

The Chairman and other members of the Committee supported a \$200 million increase in FY1990 funding for Medicaid to fund initiatives for the frail elderly, pregnant women, children, and mentally retarded and the terminally ill. The Medicaid expansion package, put together under the leadership of Chairman Waxman of the Energy and Commerce Subcommittee on Health and the Environment, was passed in the House as part of the budget reconciliation bill. In the final bill passed by Congress, the only provisions that survived were the expansion of protection to cover pregnant women and children up to 133 percent of poverty. This whole Medicaid package is part of an effort by the Chairman to push Congress to provide coverage to more of the 31-37 million uninsured Americans and to ultimately expand Medicaid to cover all poor persons.

Committee staff provided support to the Chairman with respect to those health programs under the jurisdiction of the Labor, Health and Human Services, and Education Subcommittee. Changes were pushed in Appropriations' budgets and report language relative to elderly programs, including those for special populations such as ethnic and racial minorities, the visually impaired, the disabled, Alzheimer's victims, the mentally impaired, the rural elderly, and the poor. Program areas covered were Medicare and Medicaid research and demonstrations, National Institute of Aging research and training (including Alzheimer's and long-term care), Administration on Aging programs (long-term care, Alzheimer's), National Institute of Mental Health research and training, Medicare contractor claims processing, Medicare Health Maintenance Organizations contracts, and Health Resources and Services Administration health professional training (nurses).

HEALTH AND LONG-TERM CARE REFORM

In an effort to bring about needed reforms, the Committee reviewed and developed proposals to reform Medicare and Medicaid. One area of interest was the analysis and development of comprehensive health and long term care reform legislation protecting individuals and families against the costs of catastrophic acute and long-term health care. Here, the Committee stressed the importance of considering health and long-term care reform from a multi-generational perspective. On the issue of financial access, legislative proposals were developed to serve as alternatives to the Medicare Catastrophic Coverage Act. Closely associated with the basic issue of health care access was concern over the quality of care, given the increasing pressure from cost containment. Another area of interest was improving the current system of claims review and reimbursement for nursing home and home health care. There was also interest in the use of HMOs and SHMOs by the elderly and the Federal role in protecting health and long-term care marketplace and the impact of those changes on health care for the el-

derly and poor. The Committee also had an interest in private retiree health benefits and the potential loss of those benefits due to underfunding and/or termination. This latter activity was carried out as a joint activity between the Committee Health staff and Pension staff.

The Committee examined more broad-based changes which would result in an "American" type health plan, including both health and long-term care, improving access and quality, containing health costs, and covering all generations. On November 9th, the Committee held a hearing, "Building an American Health Care System—Journey Toward a Healthy and Caring America," which examined the need for comprehensive health care reform and reviewed a range of health and long term care reform proposals, including the Canadian health care system and the Chairman's "USHealth" bill.

The Committee continued its work to develop national health and long-term care legislation to improve access, quality and cost. One result of the Committee's work was the Chairman's national health plan, the USHealth Program Act. H.R. 2980. "USHealth" is a major health care reform proposal for providing short and long-term catastrophic and basic health protection for all Americans. The legislation would upgrade the current quality assurance system. In addition, the legislation would contain health care costs at a level which is affordable in both the short and long term. Total costs would be capped at 12 percent of GNP and long term care costs would be capped at 1.1 percent of GNP.

Another approach is embodied in legislation reintroduced by the committee's ranking Republican member, Mr. Rinaldo. On November 8th, he reintroduced his long-term care bill, H.R. 3621, with the cosponsorship of the Chairman of the Committee. This bill, the Older Americans Long-Care Insurance Act, would establish a public-private partnership to provide extended nursing home and home health care insurance through the private sector to needy Americans. It was this legislation that formed the basis of the substitute legislation considered on the House floor in 1987 that garnered 190 bipartisan votes.

The Committee and its Subcommittee on Health and Long-Term Care have been monitoring the activities of the Bipartisan Commission on Comprehensive Care which grew out of legislation introduced by Senator Pepper and the Chairman. The Committee will continue to work with the Commission in the second session and provide it with any needed assistance.

With respect to catastrophic health protection, the Chairman and other Committee members indicated their opposition to outright repeal and their support for a constructive alternative. The Committee worked to develop alternatives once it was clear that the Catastrophic Coverage Act was going to be revised or repealed. The Chairman worked with the aging groups and with the House Ways and Means and Energy and Commerce Committee to develop a range of alternatives to rescue the Act. An initial proposal was offered that would have preserved most of the Catastrophic Coverage Act's Medicare and Medicaid provisions, added long term home care as in H.R. 2263, and financed the package with the addition of the revenues from removing the wage cap from the Medicare pay-

roll tax. When that proposal failed to receive sufficient support from the aging groups and other members of Congress, the Chairman developed other proposals without the long term home care component. While a second proposal was developed that saved the Medicaid benefits and most of the Medicare benefit and that included some nonelderly financing (e.g., the estate tax), it was withdrawn when the nonelderly financing sources ceased to be available.

The Committee's ranking Republican worked actively for outright repeal of the Medicare Catastrophic Coverage surtax and held a hearing of the Committee in Union, New Jersey on July 31 which was chaired by Representative Waxman, Chairman of the Energy and Commerce Committee's Health and Environment Subcommittee. That was the first hearing held by the Committee on the specific question of repeal of the law and helped to contribute to congressional efforts to repeal the Medicare surtax. In the end, Congress decided to repeal the Medicare provisions, including the surtax, and to retain the Medicaid provision.

As for long term care legislation, Senator Pepper and the Chairman reintroduced and pushed the Pepper/Roybal long term home care bill (H.R. 2263), formerly H.R. 3436/2762, which greatly expands home care coverage under Medicare for both elderly and children. Both Senator Pepper and the Chairman emphasized the need to move forward on long term care legislation and that long term home care was an essential element of any comprehensive long term care proposal. Most of this bill was part of one of the Chairman's proposal for reforming the Medicare Catastrophic Coverage Act. Further, the Chairman is preparing to introduce a major piece of legislation addressing the need for expanded coverage of nursing home, in-home services and other long term care services and for greater protection of Medicare and Medicaid beneficiary access.

The Committee also worked with the Energy and Commerce Committee's Subcommittee on Health and the Environment to refine the preadmission screening requirements passed as part of the Omnibus Budget Reconciliation Act of 1987. Several changes were incorporated into the reconciliation measures passed by the House but were dropped from the final reconciliation bill.

HEALTH-RELATED FINANCIAL RISK

The Committee provided analyses of financial risk facing the elderly. The Committee pursued legislation which will constrain the out-of-pocket costs for the elderly as well as for federal and state governments. As one example, the Committee continued its efforts to hold down increases in the Medicare Part B premium and to retain protection against impoverishment of the spouse of Medicaid nursing home residents.

In March 1989, the Committee released an updated study of elderly out-of-pocket health care costs. The study, "Health Care Costs for America's Elderly, 1977-1988," is based upon a study conducted by the Health Care Financing Administration (NCFA) and information supplied by HCFA and the Census Bureau.

HEALTH CARE QUALITY AND ACCESSIBILITY

Given that there continues to be increasing pressure to contain Medicare and Medicaid costs, the Committee has been monitoring the impact that cost containment has on both health care quality and access. Two primary areas of interest included: (1) the problem of declining hospital "profit" margins and their impact on quality, financial viability and accessibility for low income persons, and (2) the impact of cost containment on accessibility to nursing home and home health services. The Committee conducted oversight on Administration actions to cut Medicare and Medicaid and focused on those changes which would negatively affect access and quality. The Chairman pressed for legislation to monitor the impact of cost containment and to improve the Medicare quality assurance system by making improvements such as increased consumer input, more emphasis on quality assurance (and less on cost containment), and the inclusion of non-hospital providers.

The Committee also examined the health personpower issues facing an aging America. The first focus of the Committee was on the nursing shortage problem and the need to ensure an adequate supply of nurses both now and into the 21st century. As a result of these studies, the Chairman has been pushing for more funding for nurse training. The Chairman has also introduced legislation, "The Nursing Shortage and Nurse Reimbursement Incentive Act (H.R. 1140)," to expand Medicare and Medicaid nursing reimbursement for clinical nurse specialists, including nurse practitioners, nurse midwives, and nurse anesthetists. In the Omnibus Budget Reconciliation Act of 1989, Medicare coverage was extended to nurse practitioners and clinical nurse specialists in nursing facilities.

ALZHEIMER'S AND MENTAL HEALTH

The Committee pressed for changes that would increase research on Alzheimer's disease and related disorders and provide assistance to Alzheimer's victims and their caregivers. As part of that strategy, the Chairman, with the support of the national Alzheimer's Association, Chairmen Stark and Waxman, and Ranking Minority Member Rinaldo introduced and pushed H.R. 1490, the Comprehensive Alzheimer's Assistance, Research and Education Act (CARE). In 1989, a Senate companion bill was introduced by Senators Hatfield and Pressler. CARE would establish a National Alzheimer's Education Program, fund State Alzheimer's Programs in each State, and expand Alzheimer's research to a \$500 million authorization. For fiscal year 1990, the Chairman obtained an additional \$10 million for Alzheimer's research. In March 1989, the Committee held a hearing, "Caring for America's Alzheimer's Victims," to examine the status of federally funded Alzheimer's research and to consider the need for an expanded federal commitment to Alzheimer's research and family assistance.

In the area of mental health, the Chairman introduced an elderly mental health initiative, "The Mental Health and Aging Act (H.R. 111)," which includes changes in the Medicare and Medicaid programs, increases in research funding, increases in funding for community mental health centers and improvements in training program funding. In the Omnibus Budget Reconciliation Act of

1989, several changes similar to those in H.R. 111, were enacted into law. Medicare will now cover clinical psychologists and clinical social workers and no longer has a dollar limit on the Part B outpatient mental health benefit. The Committee has also examined the special problems facing elderly nursing home residents with mental health problems. In August 1989, the Committee held a hearing, "Mental Health in Nursing Homes: Barriers and Solutions," which examined the special problems facing nursing home residents and considered various policy changes which would improve nursing home resident access to mental health care.

SPECIAL POPULATIONS

In conjunction with the Special Populations staff, the Committee health staff have conducted activities to address the special health problems and needs of certain segments of the elderly and the poor and near poor. These special populations include women, racial and ethnic minorities, the deaf, the blind, Alzheimer's victims, the mentally ill, rural residents, and the terminally ill. As part of its efforts to address the health related problems of special populations, the Committee examined the accessibility, quality and cost problems faced by subgroups of the elderly and nonelderly. Much of the Committee's work on Health and Human Services appropriations relates to the special needs of special elderly populations.

As another example, the Chairman introduced the "National Rural Health Care Act (H.R. 950)" which expands Medicaid to cover the poor, creates a new class of providers called a "MedCAF," expands insurance deductibility for small businesses and farmers, expands funding for training programs and community and migrant health centers, adjusts provider payments to reflect the "cost-of-doing-business" in rural communities, expands Medicare and Medicaid direct reimbursement to include nurse specialists, and provides funds for new medical practices. The final budget reconciliation bill contains a program of "Primary Care Hospitals" which is very similar to the Chairman's MedCAF proposal. Also, the bill allows for payment of outpatient primary care provided by a rural hospital.

CONGRESSIONAL AND CONSTITUENT ACTIVITIES

Under its mandate to assist Congress and the elderly, the Committee Chairman and staff provided a substantial amount of technical assistance, conducted oversight of the Administration on elderly health care programs, conducted education programs on health related issues affecting the elderly and nonelderly, and served as speakers at major meetings.

MEDIA

Over the past year, there have been numerous newspaper and journal articles on the Chairman and the Committee. These articles have covered budget issues, rising out-of-pocket health care costs, the risk of long term care induced impoverishment, the need for long term care protection, catastrophic health insurance, quality of care (home, nursing home, ambulatory care, HMOs and hospitals), the need for Alzheimer's research and family assistance,

and the need for protection for the uninsured and underinsured (including the Chairman's "USHealth" legislation. Over the same period, the Committee received radio/television coverage on a range of health and long term care issues.

EMPLOYMENT

The Committee's primary objective in the employment area is to establish policies which provide the elderly with the flexibility to choose between employment, training or retirement without experiencing financial difficulty. Major areas of focus include: the relationship between labor market forces and employment/retirement decisions; disincentives to continued employment such as age discrimination and the lack of training opportunities; incentives for employment of older workers; alternative work opportunities; the problems experienced by displaced and disadvantaged older workers; federally assisted programs such as the Job Training Partnership Act and the Senior Community Service Employment Program; and the public and private pension systems.

AGE DISCRIMINATION—EMPLOYEE BENEFIT PLANS

In the first session of the 101st Congress, the Committee reviewed the impact of the U.S. Supreme Court's decision in *Public Employees Retirement System of Ohio v. Betts*, 109 S.Ct. 2854 (1989), which all but eliminated the applicability of the Age Discrimination in Employment Act (ADEA), the federal law prohibiting age discrimination in the workplace, to employee benefit plans. On August 4, 1989, the Chairman of the Committee introduced H.R. 3200, the Older Workers Benefit Protection Act, which would restore twenty years of pre-Betts federal agency and court interpretation of the ADEA, and prohibit employers from arbitrarily discriminating against older workers in employee benefit plans. The Committee also held a joint hearing on September 21, 1989 with two House Education and Labor subcommittees on the effects of the *Betts* decision, and legislative proposals to remedy the decision. Representatives from the Equal Employment Opportunity Commission (EEOC), the federal agency responsible for enforcing the ADEA, and representatives from aging groups, and the business community testified.

AGE DISCRIMINATION—WAIVERS OF RIGHTS

The Committee continued to review the issue of the validity of an older employee's waiver or release of rights under the ADEA. During the first session of the 101st Congress, various hearings were held on this issue, and several legislative proposals were introduced and moved through the House and Senate Committees of relevant jurisdiction. Specifically, the Aging Committee held a joint hearing with the House Education and Labor Subcommittee on Employment Opportunities on waivers on April 18, 1989. In addition, on March 15, 1989, the Chairman of the Committee joined Education and Labor Committee Chairman Hawkins in introducing the Age Discrimination in Employment Waiver Protection Act of 1989, H.R. 1432. The principle purpose of the legislation is to clarify the law, reassert the intent of Congress, and protect older work-

ers from being coerced into giving up their employment rights under the ADEA. This legislation was marked up by the full Education and Labor Committee on June 13, 1989.

AGE DISCRIMINATION—ENFORCEMENT

The Committee also continued to monitor the general enforcement of the ADEA by the Equal Employment Opportunity Commission (EEOC). There has been a dramatic increase in age discrimination complaints in recent years, and the enforcement policies and procedures of the EEOC have been monitored to insure that older workers are being accorded their full employment rights. Evidence in the last Congress indicated that the EEOC was not adequately enforcing the ADEA. For example, in January 1988 the Chairman of the EEOC revealed at an Aging Committee hearing that the agency failed to process the age discrimination complaints of over 900 individuals in time to meet the two year statute of limitations for filing lawsuits under the ADEA.

AGE DISCRIMINATION—MANDATORY RETIREMENT

The Committee continued to examine rules and policies which mandate the retirement of an older worker simply on the basis of age. Although mandatory retirement was eliminated for most professions through amendments to the ADEA in 1986, some exceptions remain. Of particular interest to the Committee was the Federal Aviation Administration's (FAA) "age 60 rule" which prohibits pilots over the age of 60 from flying commercial airliners of more than thirty passengers. On the request of the Chairman of the Committee, the General Accounting Office (GAO) reviewed the thirty year history of the rule, and issued a report in December 1989. Of particular significance was information in the report showing that the FAA had allowed a number of pilots under the age of 60 to continue flying commercial airliners despite the existence of a history of serious medical conditions.

EMPLOYMENT AND TRAINING PROGRAMS FOR OLDER WORKERS

During the first session of the 101st Congress the Committee continued to engage in efforts to address the employment and training needs and concerns of older workers. Of particular concern to the Committee were the federal job training programs for the elderly, specifically the three percent set-aside program for older workers under Title II-A of the Job Training Partnership Act (JTPA). In the first session, Congress began consideration of amendments to the JTPA, including proposals for a restructuring of programs under the Act. The Committee closely monitored these efforts, and worked to ensure that any restructuring of the JTPA include a component that provides training services to the elderly, at least at the levels currently provided under the three percent set-aside program.

The Committee also closely monitored funding for the Senior Community Service Employment Program (SCSEP), authorized under Title V of the Older Americans Act. SCSEP provides part-time community service work opportunities for older, unemployed low income persons. Of particular interest was the projected impact

of the increase in the federal minimum wage on the SCSEP. SCSEP participants are paid no less than the Federal or State minimum wage or the local prevailing rate of pay for similar employment, whichever is higher. It is likely therefore that, given the minimum wage increase, funding levels for program years 1989 and 1990 will not be adequate to maintain current levels of SCSEP operation.

PENSIONS

The Committee continued to closely review proposals in the area of pension reform. Limitations on pension reversions, and the need for pension portability, are two priority areas of interest of the Committee. Past hearings of the Committee have revealed the serious problems to older workers posed by pension terminations and reversions. In past years the Committee has worked for the passage of legislation to put a temporary moratorium on reversions, and legislation requiring excess assets from pension funds to be distributed proportionately to employees of the terminated plan. Pension portability, permitting workers to carry pension credits from one job to another, was also the subject of past legislative efforts of the Committee. The Committee intends to monitor similar pension reform efforts in the coming session.

SOCIAL SECURITY

In the area of Social Security, the Committee continued to work to insure the financial integrity and viability of the Social Security system in general, the Social Security Administration (SSA), and the programs administered under the Social Security Act. In particular, the Committee focused on efforts to improve the SSA's operations, and reform of the Old-Age and Survivors Insurance program (OASI), the Disability Insurance program (DI), and the Supplemental Security Income program (SSI). Some areas of concentration included the following:

QUALITY OF SERVICE PROVIDED BY THE SOCIAL SECURITY ADMINISTRATION

In the last session of Congress, the Committee focused much of its attention on the quality of service being provided by the Social Security Administration. Committee hearings held in last session revealed that substantial staff cuts incurred by the agency during the 1980's in conjunction with various operational changes which have emphasized less face-to-face service, have had a detrimental effect on SSA's service delivery. Of particular concern to the Committee was the impact of these changes on those elderly who are most vulnerable, and perhaps most in need of SSA services, including the poor and illiterate, the homeless, individuals living in rural areas, the mentally and physically impaired, and the non-English speaking. At a Committee hearing held last year, for example, testimony was received from SSA employees expressing concern about SSA's institution of a national 1-800 teleservice number for inquiries and the difficulties that this change posed for various groups with special needs.

SUPPLEMENTAL SECURITY INCOME

The Supplemental Security Income program provides basic assistance to some of this nation's neediest individuals, and has continued to be of central concern to the Committee. Specifically, the Committee continued to pursue reform of the SSI program so that it adequately serves the growing number of needy poor. In conjunction with this general goal, the Chairman introduced H.R. 360, the "SSI Asset Reform Act of 1989", and H.R. 361, the "SSI Benefit Level Reform Act of 1989". H.R. 360 would raise the SSI asset resource limit, and H.R. 361 would raise the Federal SSI benefit payment. The Committee also monitored the status of SSA's outreach efforts with regard to the SSI program. The Committee reviewed current measures being undertaken by SSA to notify individuals who are potentially SSI eligible of the existence and requirements of the program. The Committee, in particular, reviewed SSA's efforts with respect to the homeless, the illiterate, individuals living in rural areas, the mentally and physically disabled, and the non-English speaking.

OTHER SOCIAL SECURITY PRIORITIES

The Committee also continued to promote efforts to improve the accountability of SSA, and to protect the Social Security system, in general, from politically expedient decisionmaking, and from use as a quick short-term solution to budget problems in other areas. To this end, the Chairman introduced legislation, H.R. 46, which would establish SSA as an independent agency with sole responsibility for administration of the OASDI Trust Funds, and the SSI program. Finally, the Committee continued to pursue efforts to remedy the Social Security Notch, with the introduction by the Chairman of H.R. 917.

HOUSING

In the first session, the Committee monitored the development of housing legislation, housing regulations and safe, affordable, appropriate housing for the elderly. The Committee monitored housing options and designs for older Americans with diverse socio-economic, cultural and health needs. Primary areas of examination were: low income housing needs; alternative living arrangements for the frail and semi-independent elderly, such as congregate housing, shared housing, life care communities and home equity conversions; rural housing needs; the needs of special populations of the elderly such as farmworkers and federal programs such as Section 202 and Section 8, public housing, and Farmers Home Administration programs.

The impact of the last eight years of cut-back and mismanagement of HUD were clearly realized. While many programs suffered because of drastic cut backs in new construction and administration funds, others suffered because of mismanagement and abuse. While the focus in the last session was the clean-up and restructuring of HUD, some new headway was made. The Committee held two hearings on Linking Housing and Supportive Services, which the new HUD administration supported. Reform of the misused

Section 236 program was of Congressional interest, as was the tremendous backlog of Section 202 applications. Restructuring of fair market rents was another issue of concern, and legislative solutions are being sought to remedy those problems.

The Committee requested that Secretary Kemp develop a Memorandum of Understanding with the Secretary of Health and Human Services to better outline the shared commitment to the elderly. The Secretary began this activity.

While data indicates a sharp growth in very old elderly and a continuous growth of the elderly population, there has been a steady decline in funds for elderly housing. Appropriations for HUD's subsidized housing programs have decreased over 80% from 1978 to 1988. During that same period Farmers Home Administration programs dropped nearly 70%. Additionally, hundreds of thousands of low income units are beginning to be lost to prepayment and expiring federal contracts. The Committee is providing assistance in developing solutions to the loss of low income limits.

The Committee is working closely with the Association of Farmworker Opportunity Programs (AFOP), the Housing Assistance Council (HAC), and the American Association of Retired Persons (AARP) to explore and develop housing opportunities for migrant and seasonal farmworkers. The Committee in investigating how federal housing programs can better meet the needs of this dramatically underserved population. The Committee continues to gather recommendations on how federal regulations and legislation can be improved to confront the ongoing plight of farmworkers, in preparation for a hearing on this issue.

The Committee continues to investigate the impact of board and care homes and the national housing stock. In light of recent investigations of the abuses in board and care homes, the Committee continues to examine current data on the problems and successes of board and care homes. The Committee reviewed various state laws regarding licensed and unlicensed homes, and examined the success of federal regulations and proposed legislation to contain current abuses. The need for such housing is also examined.

FRAIL ELDERLY

The Committee held two hearings on linking housing and supportive services. H.R. 2376, "Housing for the Frail Elderly," was introduced by the Chairman after the hearing and referred to the House Banking Subcommittee on Housing and Community Development. The Committee heard from the Secretary of Housing and Urban Development (HUD) Jack Kemp, on issues affecting the frail elderly, and worked with the Secretary to develop appropriate responses to this issue. The Committee worked with HUD on reform of elderly housing programs, and addressed issues such as improving public and non-profit housing by making adjustments for the frail elderly.

The Committee will continue to examine the role of non-profits in providing low to moderate income housing for the elderly. The design and needs of public housing will be of significant importance during the second session of the 101st Congress.

BOARD AND CARE HOMES

Board and care housing, also known as residential care facilities, or assisted housing, are any number of living arrangements which provide shelter and modest services. Board and care homes usually serve low-income elderly and handicapped persons who have few other options. These homes, which house anywhere from 3 to 40 non-family members are a critical part of our nation's housing supply and care providers.

Currently, there are no federal regulations for board and care homes and very lenient, if existent, state regulations. Most often, being licensed as a board and care home means passing a fire code regulation. Most board and care homes are not licensed. Additionally, the most reliable means for identifying board and care homes is by census data revealing three or more SSI checks at one address.

What little is known about the industry reveals that owners of these homes have little training in care for the elderly or those with special needs.

Although not the norm, several cases of severe neglect have been reported. Increasingly people are becoming aware of the role these homes play in our care for the elderly and the potential danger of their unregulated, unsupervised status.

The Committee gathered data on existing problems with these homes and reviewed efforts to investigate a count of these homes, provide basic regulations which protect residents and provide technical assistance and/or education for owners and managers of these homes.

FARMWORKER HOUSING

The Committee is also aware that there are many rural elderly issues which need attention. The Committee investigated the special needs of rural migrant and seasonal farmworkers. Migrant and seasonal workers have many special needs. Very poor, without pensions, they often do not receive SSI benefits and, due to their movement between states, housing is a particularly severe problem. Currently there are state jurisdiction problems as well as inappropriate design of rural programs which prevent farm workers from receiving low-income housing to which they are entitled. Very little data on this issue is available.

The Committee is currently working with the American Farmworkers Opportunity Program (AFOP), the Housing Assistance Council (HAC), and American Association of Retired Persons (AARP) to explore and develop housing opportunities for migrant and seasonal farmworkers.

The Committee researched a potential hearing to explore the need for federal intervention in this crisis. In general, the hearing should gather recommendations on how federal regulations and legislation would improve the ongoing exploitation of farmworkers and the lack of access to, and underuse of, federal programs, including entitlement programs.

Proposals for federal regulations need to do the following:

—Identify the way in which new federal involvement is necessary to address the needs of older farmworkers.

- Identify how federal oversight can eliminate the problems that farmworkers face with interstate jurisdictional problems, which can prevent delivery of services.
- Identify how existing rural and elderly housing programs can be adjusted to accommodate farmworkers.

The hearing should gather the facts, statistics and proposal so that comprehensive legislation can be developed and included in the Housing Act of 1989.

The Committee monitored and explored concerns in the following areas: Tax Code changes under the development of elderly housing; HUD and regulations which effecting the development and supply of housing for the elderly; expiring contracts and prepayment of mortgages which effect the supply of elderly housing; the development of Home Equity regulations and programs; appropriations (HUD and the Farmers Home Administration) of housing programs for the elderly.

HUMAN SERVICES

Human service programs remained a major focal point of the Committee's activities. The objective in this area is to seek to establish appropriate community-based services which can assist older individuals to remain independent and self-sufficient. Oversight responsibilities include: the Older Americans Act (OAA) programs; food stamp and nutrition assistance; low income energy and weatherization assistance; legal services; Community Development, Community Service and Social Service Block Grants; the Older American Volunteer Programs; crimes against the elderly; intergenerational assistance issues; and issues which affect disenfranchised subpopulations of older Americans.

During the first session, particular attention was focused on the special needs of the vulnerable, low income, frail and ethnic/racial minority elderly. The Committee's activities in this area included planning and holding both Washington, DC and field hearings; preparing special reports, speeches and issue briefs; developing alternative policies for the Chairman and other Committee members; examining and responding to budgetary, legislative and regulatory proposals; initiating oversight and research activities; and providing technical assistance to the Congress, the public and interested organizations. In-depth examinations was undertaken for the following issue areas.

SERVING THE ELDERLY DEVELOPMENTALLY DISABLED POPULATION

The developmentally disabled (DD) elderly population is but one of the "special populations" that has fallen through the "safety net" of services over the years. Factors such as the outgoing Administration's policies toward the social services in general; the trends toward deinstitutionalization and the least restrictive environment in providing services; the public's awareness, or lack thereof, of the needs of this population and of how to deal with those needs; the lack of coordination among service providers and policy makers; and the fiscal constraints/competition experienced at all levels of government are but a few of the reasons that DD elders are in need of targeted services such as those mandated in

the Older Americans Acts Amendments of 1987. It is the Committees' intent to continue to examine the special needs of this population, the challenges facing providers and policy makers in serving the older developmentally disabled person, and the statutory mandates as they presently exist.

SPECIAL POPULATIONS

The Select Committee on Aging held two hearings on the status of Hispanic and Indian elderly, "America's Failure to Care." Part I and Part II. Testimony was provided on the poor health status and the lack of adequate health care for both populations. Witnesses indicated that both Hispanics and Native Americans have problems with employment, inadequate incomes, poor retirement benefits, substandard housing and access to services. Much important data and statistics were gathered at this hearing and the Committee will develop a summary report on information provided.

THE QUALITY OF LIFE FOR OLDER WOMEN

Older women disproportionately outnumber men, and the disparity grows as the elderly age. In 1987, there were 83 men to every 100 women in the 65 to 69 age group, and 39 men to every 100 women 85 and older. Older women are more likely to live alone. They often care for their husbands and are often left to fend for themselves. They generally have less income than their male counterparts. Until the recent coverage of spousal impoverishment in the Catastrophic Act, many women lost all assets to care for their husbands. Older women also have special needs in employment retraining which are often overlooked. Elderly women face unique problems which have generally been neglected by policy-makers. The Aging Committee continues to expand its initiative to improve the quality of life for older women. This initiative will examine the wide-range of issues including health, income, housing, services, and transportation which affect elderly women, minority women in particular.

TRANSPORTATION FOR THE ELDERLY

Transportation for the elderly has received little national attention. The Committee has gathered data, reports and statistics on the impact of inadequate transportation for the elderly in rural and urban settings. Transportation for the elderly has repeatedly been cut back, despite the fact that transportation is identified as a major determinant for participation rates of elderly persons in service and health programs. Cutbacks in block grants, mass transit monies, and revenue sharing, combined with increased demands on Older Americans Act, Title III services, are straining the adequacy and availability of transportation services for older and disabled persons. The Committee examined the impact of lack of access to transportation for access to health care and services.

ONGOING OVERSIGHT ACTIVITIES

A number of issues required close monitoring throughout the first session of the 101st Congress, including: analyzing budget proposal and appropriations levels; planning activities for the 1989

XIV International Congress on Gerontology and the 1991 White House Conference on Aging; working with legislative committees on the reauthorization of the Domestic Volunteers Service Act of 1973; evaluating the ongoing relationship between the Commissioner of the Administration on Aging and the State and area agencies on aging; analyzing the effects of budget cutbacks on human service programs such as the Low Income Home Energy Assistance Program, the Community and Social Services Block Grants, supplemental nutrition programs, and the Older Americans Act; and evaluating the administration of programs such as the Legal Services Corporation, the Senior Community Service Employment Program and the Job Training Partnership Act.

II. SUBCOMMITTEES

SUBCOMMITTEE ON RETIREMENT INCOME AND EMPLOYMENT

The Subcommittee on Retirement Income and Employment is charged with oversight responsibility for all governmental and non-governmental programs which affect the financial well-being of older Americans.

The Subcommittee's jurisdiction includes the financing, benefit structure, and administration of all federal income maintenance programs such as Social Security, Supplemental Security Income, veterans payments, and unemployment insurance. It also includes private and public employer/employee retirement income programs such as private pension and health benefit plans, civil service retirement, railroad retirement, military retirement, Keoghs, and Individual Retirement Accounts. Public employment programs, such as Title V of the Older Americans Act and private employment issues, such as age discrimination, fall within the Subcommittee's jurisdiction.

Other issues which pertain to the Subcommittee are the impact of health care costs on retirement income, federal tax policy, private insurance products, pre-retirement planning, wealth accumulation, and the economic status of the aged including their relative income levels and spending patterns.

While a number of important issues were examined and initiated during the first half of the session, Subcommittee Chairman Roybal focused particular attention on two major issue areas: (1) monitoring and amending legislative and administrative changes in Social Security, and (2) seeking reform of the Supplemental Security Income (SSI) program.

Chairman Roybal's initiatives pertaining to Social Security focused on: (1) monitoring the effects of a 20% cut in Social Security staff and the implementation of a national 1-800 telephone number on the quality of services provided to the public; (2) correcting inequities due to recent legislative and administrative changes; (3) protecting the financial and administrative integrity of Social Security; (4) promoting public confidence in the Social Security system; and (5) seeking to establish the Social Security Administration as an independent agency.

With regard to SSI, Chairman Roybal continued to work for major reform of the program by: (1) holding a joint hearing with the Ways and Means Committee to identify where problems exist; (2) cosponsoring legislation with Congressman Downey to raise the federal benefit to the poverty level and restore the asset eligibility test to the same inflation-adjusted level as when the program began 15 years ago; (3) speaking to the public, the press, and interested organizations about the need for SSI reform; (4) seeking more effective efforts and resources to improve SSI outreach activities;

and (5) working with the appropriate committees to ensure that SSI is more responsive to the needs of the disabled, particularly children.

In July, Congressman Bill Hughes of New Jersey became Acting Chairman of the Subcommittee. While continuing to follow up on a number of activities initiated by Congressman Roybal, during the second half of the session Chairman Hughes directed the Subcommittee's focus on two major issue areas: (1) older worker employment, and (2) the monitoring and enforcement of private pension plans.

More specifically, within the area of older worker employment, Chairman Hughes sought to: (1) identify barriers which discourage older individuals from remaining in the labor force; (2) develop legislative initiatives designed to make better use of an older workforce, particularly in providing child care services; (3) encourage intergenerational employment opportunities; (4) identify and publicize innovative and effective programs which utilize older workers; and (5) improve coordination of federal programs, specifically Title V of the Older Americans Act and the Job Training Partnership Act.

In the area of pensions, Congressman Hughes focused particular attention on examining: (1) the adequacy of the Department of Labor's efforts to monitor and enforce provisions of the Employee Retirement Income Security Act (ERISA); (2) whether there is sufficient use of criminal penalties to serve as a deterrent to pension plan fraud; (3) whether there is a growing incidence of fraud among Multiple Employer Welfare Arrangements; and (4) the effects of leveraged buyouts and pension reversions on pension plan assets.

The primary objectives of the Ranking Republican Member, Tom Tauke, were to secure and improve the economic condition of the nation's elderly. Through legislative and oversight activities, the Ranking Republican Member focused on the: (1) impact of tax policies on the elderly, particularly on the repeal of the Medicare Catastrophic Coverage Act; (2) financial integrity and administrative autonomy of the Social Security system; (3) quality of service delivery by the Social Security Administration, particularly the impact of new technologies on personal services; (4) inequities in the Social Security benefit structure, specifically the elimination of the "notch" and the earnings limitation; (5) reform of Medicare policies which adversely impact the health care costs for rural elderly; and (6) reform of ERISA particularly with regard to plan administration and adequacy of ERISA enforcement authority. Additionally, the Ranking Republican Member served as a member of the Pepper Long-Term Care Commission and continued to work toward an adequate and fiscally responsible policy to address the long-term care needs of the nation's senior citizens.

The Subcommittee provided staff support for Full Committee hearings on issues under its jurisdiction, and for hearings held under its own auspices. Staff coordinated their analysis of the President's budget and other special reports with the Full Committee. Subcommittee activities included the preparation of statements, questions, and briefing materials; responses to constituent inquiries; development of alternative policies and legislation for the

Chairman, Ranking Minority Member, and other members; and the coordination of activities with other Committees and outside organizations.

SOCIAL SECURITY

SOCIAL SECURITY QUALITY OF SERVICE ISSUES

The Administration continued to implement its plan to cut 21 percent (17,006) of Social Security staff by 1990. In April, the Subcommittee convened a hearing to examine growing evidence that these staffing cuts are causing serious problems in getting prompt, accurate, and appropriate responses from the Social Security Administration. Among the issues examined were the preponderance of incorrect information being given by the teleservice system, the difficulty the public is having gaining access to personal service in local Social Security field offices, reports of backlogs in post-entitlement casework, and a number of other concerns. A number of Social Security managers provided statements verifying that the quality of service is declining. This testimony mirrored the findings of a General Accounting Office study which indicates that morale is at an all-time low, with the majority of Social Security personnel believing service to the public is suffering due to inadequate staffing levels.

Based on this testimony, Chairman Roybal and a number of members of the Aging Committee sent a letter to Congressman Natcher, Chairman of the Subcommittee on Labor-HHS-Education of the Committee on Appropriations, urging that: (1) the proposed reduction of 2,038 staff positions in the President's FY 1990 budget be rejected; (2) a hold be put on additional staff to the four megatelephone service centers until the effects of the current 1-800 telephone system is evaluated; and (3) that further reductions in contact stations and field representative staff, which conduct outreach and provide service to homebound beneficiaries, be prohibited.

Given his position on the Appropriations Committee, Congressman Roybal expressed particular concern to the Social Security Commissioner about the effects of cutting 2,000 additional staff on top of the more than 15,000 Social Security personnel which have been cut in the previous five years. He indicated that the Aging Committee received documentation that cuts in staff have caused increased casework backlogs, deteriorating access to prompt Social Security service, inaccurate information, and insufficient outreach activities to the poor, the homeless, the disabled, and the blind.

Congressman Roybal also questioned why the Social Security Commissioner wrote in an internal document to Budget Director Darman that "SSA is already suffering the consequences of a budget shortfall," when her public position was that SSA can operate efficiently with 2,000 fewer staff on top of the 15,000 already cut.

Report language was prepared for the FY 1989 Supplemental Appropriations bill to ensure that the Social Security Commissioner's request to release \$30 million of the agency's contingency funds are used only to fund a need for additional staff.

Since the SSA began to implement "Systems Modernization," the Ranking Republican Member has frequently communicated con-

cerns about the impact of new technologies on local service delivery. Representative Tauke continued oversight activities of the SSA's move toward nationwide teleservice and its impact on local service delivery. The Ranking Republican Member met with the Social Security Commissioner to convey specific problems in local Social Security field offices.

SOCIAL SECURITY BENEFITS

Chairman Roybal continued his efforts to inform Congress and the public of the effects of the Social Security "Notch." He introduced new legislation, H.R. 917 (which currently has more than 125 cosponsors), in order to provide a smoother transition of benefits from persons born in different years following 1916. Previous hearings before the Subcommittee reveal that a 1977 change in the way benefits are calculated has caused many workers with similar work histories to receive very different benefits simply because of the year in which they were born. Two modifications were made to the bill from the last Congress which reduces its cost by approximately \$20 billion over ten years. The new bill does not provide for retroactive benefits and it makes a minor change in the benefit computation formula.

Ranking Republican Member Tauke also continued to pursue a legislative remedy to the Social Security "notch" problem. Representative Tauke was an original cosponsor of H.R. 181, legislation to ensure fair benefits for those born between 1917 and 1921. In addition, Representative Tauke strongly supported legislation to eliminate the earnings limitation for Social Security beneficiaries.

The Ranking Republican Member sponsored legislation to increase the substantial gainful activity measure for Social Security disability beneficiaries. Under current law, non-blind Social Security disability beneficiaries can not earn more than 300 dollars and remain entitled to benefits. This limit is substantially higher for blind beneficiaries (793 dollars). Legislation introduced by Ranking Republican Member Tauke (H.R. 3561) would increase benefit security for non-blind disability beneficiaries and, thus, enhance benefit equity within the Social Security system.

The Chairman and Ranking Republican Member provided Committee members with a summary of key 1990 adjustments to the Social Security and Supplemental Security Income programs, including the size of the cost-of-living increase due in January, 1990, the new average monthly Social Security benefit, the retirement earnings test, and other adjustments.

SOCIAL SECURITY APPEALS PROCESS

Subcommittee staff examined reports that regulations to implement much more stringent rules for individuals to appeal denials of Social Security benefits were being contemplated by the Social Security Administration. Chairman Roybal expressed his serious opposition to the rules being considered, citing his concern that thousands of vulnerable order and disabled Amerians would likely be adversely affected. Congressman Roybal co-signed a letter with 99 members of the House urging the Secretary of Health and Human Services to reject new rules that would sharply restrict the

rights of elderly and disabled people to appeal Government decisions denying Social Security, Medicare and welfare benefits. The proposal was subsequently withdrawn.

The Ranking Republican Member testified to the Committee on Ways and Means on the proposed changes in the Social Security appeals process. Representative Tauke has sponsored legislation to reform the appeals process. This regulatory procedure has not been significantly altered since the passage of the Social Security Act of 1935. The current system produces lengthy delays and could be changed to improve timely and fair consideration of benefits claims. The Ranking Republican Member also submitted testimony to the Disability Advisory Council on the need to improve and streamline the appeals process.

SOCIAL SECURITY REPRESENTATIVE PAYEE

Chairman Roybal submitted testimony before a March 22 joint hearing of the Subcommittee on Social Security and the Subcommittee on Human Resources of the Ways and Means Committee concerning the monitoring of Social Security representative payees. The Chairman's remarks focused on the need for stricter guidelines of persons who manage the finances of persons who are unable to manage their own financial affairs. Congressman Roybal also commended the Subcommittee on Housing and Consumer Interests for releasing model standards for ensuring quality guardianship and urged that the standards be adopted throughout the country.

SOCIAL SECURITY—PUBLIC CONFIDENCE

Staff continued follow-up activities to a special intergenerational forum on Social Security which was convened by the Subcommittee during the 100th Congress. Efforts were made to distribute a tape and transcript of the forum to high schools throughout the country in conjunction with the national debate topic: "What the Federal government should do to enhance the quality of life for Americans 65 and over."

Chairman Roybal, Acting Chairman Hughes, Ranking Republican Tauke, and Subcommittee staff made a number of speeches and distributed a variety of written materials on the status of the Social Security program, its intergenerational benefits, and its relationship to the Federal budget deficit.

INDEPENDENT SOCIAL SECURITY AGENCY

On January 3, Chairman Roybal introduced legislation—H.R. 46—to establish the Social Security Administration as an independent agency. Previous hearings of the Subcommittee indicate that the independent agency question is directly related to the quality of service provided by the Social Security Administration. A detailed summary of the bill was prepared and information was distributed to the Members, the press, and the public. H.R. 46 was based on legislation introduced by Congressman Roybal in 1984, and was similar to legislation which passed the House during this session.

The Ranking Republican Member strongly supported legislation to establish an independent Social Security agency and remove the Social Security Trust Fund from the unified budget.

SUPPLEMENTAL SECURITY INCOME PROGRAM

During the 100th Congress, the Subcommittee held a series of hearings to examine whether the Supplementary Security Income (SSI) program is adequately assisting low income elderly, blind, and disabled individuals. Based on this testimony, on January 3, Chairman Roybal and Subcommittee on Human Services Chairman Tom Downey introduced two bills to reform SSI. The first, H.R. 360, adjusts the SSI asset eligibility test to \$4,200 for an individual and \$6,300 for a couple, and ties annual increases to the rate of inflation. The second, H.R. 361, gradually raises the Federal SSI payment to the poverty line by January 1, 1992.

In February, the Chairman joined as one of four original cosponsors on three other SSI reform bills—H.R. 866, 867, and 868. Among the provisions of H.R. 866 is the establishment of a permanent SSI outreach program for adults and children. H.R. 867 corrects several inconsistencies in the law concerning the treatment of unemployment compensation, interest and dividend income, life insurance, and burial accounts. H.R. 868 assures that SSI is more responsive to the needs of disabled children, and corrects certain inequities in the treatment of a family's income and resources in determining program eligibility.

On March 2, the Subcommittee held a joint hearing with the Subcommittee on Human Resources of the Ways and Means Committee to examine recommendations concerning whether SSI should be reformed. Of particular concern to the witnesses was the inadequacy of the Federal SSI benefit standard for individuals, which works out to approximately \$12 per day, and the erosion of the asset standard which has been cut in half by inflation since 1974. Also of concern is the lack of adequate outreach assistance to the elderly poor, the blind, the disabled and the homeless. Studies indicate that approximately half of the elderly who are eligible for SSI do not participate in the program, with the major reason for nonparticipation being that eligible individuals are unaware of the program or are mistaken about its requirements.

Planning meetings were also coordinated with representatives from aging, disability, mental health advocacy organizations, and representatives from the appropriate legislative committees to discuss specific strategies and proposals for reforming the SSI program. In addition, Chairman Roybal was a keynote speaker at a National Policy Conference held in Washington, DC on SSI.

Staff distributed a report of the Chairman prepared during the second session of the 100th Congress entitled, "Supplemental Security Income Program: Current Program Characteristics and Alternatives for Future Reform." The report is designed to provide basic information about the SSI program, and serve as the basis for debate on possible reforms to the program.

PENSIONS

Chairman Roybal continued to work with Congressman Clay, Chairman of the Subcommittee on Labor-Management Relations of the Committee on Education and Labor to seek passage of H.R. 1661—"The Employee Pension Protection Act of 1989." The bill provides greater protections and guarantees for workers upon the reversion or termination of pension plans. Previous hearings before the Subcommittee indicate that since 1981, companies have ended over 1,500 pension plans and recaptured more than \$20 billion in assets. The Department of Labor has determined that whenever a plan is terminated, workers lose 45 cents for every dollar they expected to recover. Although employers must guarantee benefits up to the time of termination, a recent study reveals that half of companies which terminate a plan fail to institute a comparable new fund.

ENFORCEMENT OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT
(ERISA)

On November 15th, the Subcommittee convened a hearing entitled, "Who's Minding Your Pension?" to review the Department of Labor's efforts to prevent fraud and abuse in the nation's more than \$1.7 trillion private pension benefit plans. The Subcommittee also received the findings of a report from the Office of the Inspector General which warns that greater enforcement provisions are needed to adequately protect private pension plan assets. Witnesses described the characteristics and nature of the present process, and offered recommendations concerning how ERISA provisions might be strengthened.

Chairman Hughes and Ranking Republican Tauke initiated a number of follow-up activities based on the hearing testimony, including seeking additional information from the Department of Labor, requesting a General Accounting Office study of related issues, and reviewing possible legislative or regulatory alternatives.

EMPLOYMENT ISSUES

In July, Chairman Hughes and Ranking Republican Tauke introduced H.R. 3079, legislation to exempt child care earnings from the Social Security earnings test for workers aged 65 and older. Under current law, workers aged 65-69 who earn more than \$8,880 lose one dollar in Social Security benefits for every two dollars they earn above the limit. Under this bill, workers aged 65 and over would be encouraged to provide child care services since they would not face the barrier of losing Social Security benefits. H.R. 3079 was included as an amendment to the child care package which was brought to the House floor. The overall amendment did not pass the House, but a similar provision was included in the Senate-passed child care bill.

On September 13, 1989, the Subcommittee convened a hearing entitled, "Better Utilizing an Older Workforce: A Focus on Inter-generational Child Day Care." The purpose of the hearing was to examine ways to better utilize an older workforce, particularly in fields where there are labor market shortages, such as qualified

child care providers. Testimony included an overview of the labor market characteristics of older workers, a summary of relevant programs and policies, examples of successful programs which train and employ older workers as child care providers, and a discussion of the merits of H.R. 3079.

THE JOB TRAINING PARTNERSHIP ACT (JTPA)

Chairman Hughes testified before the Subcommittee on Employment Opportunities of the House Committee on Education and Labor on September 19th in support of H.R. 3226, legislation designed to make the JTPA program more responsive to participants who encounter difficulties accessing job training programs. Congressman Hughes' testimony focused on two provisions of the bill which are particularly crucial to the needs of older workers. The first provision requires that allocations which serve older individuals be at least equal to the amount which was available during the preceding program year. The second provision would grant flexibility to waive performance standards to allow part-time placement in some situations. The requirement that all placements be full-time prohibits efficient coordination between JTPA and the Senior Community Service Employment Program.

RETIREMENT PLANNING

A report of the Chairman was prepared and distributed entitled, "A Guide to Planning Your Retirement Finances." The guide is designed to provide individuals with a step-by-step overview of the retirement planning process, including such topics as a checklist of essential documents, preparing a budget for today and during retirement, how to anticipate likely future retirement income levels, an overview of types of investments tips on estate planning and wills, and a number of other topics. The number of requests for copies of the guide far outnumbered those available, and plans are underway to update the report annually.

TAXATION OF THE ELDERLY

Ranking Republican Member Tauke convened a field hearing of the subcommittee to examine the Medicare Catastrophic Coverage Act (MCCA). Representative Tauke opposed the original MCCA due to the unfair financing scheme which required that the elderly pay for inadequate new benefits through an income surtax. The Ranking Republican Member worked to repeal this unfair tax burden on the nation's elderly.

In addition to the MCCA surtax, the Ranking Republican Member strongly supported the repeal of additional tax policies which are targeted at the elderly. Tax policies including the taxation of Social Security benefits and the reduction of benefits under the earning limitation, impose a significantly higher marginal tax rate on the elderly.

HEALTH CARE COSTS

The Ranking Republican Member has served on the Pepper Long-Term Care Commission. Representative Tauke has participat-

ed in Commission field hearings, Washington hearings and meetings to examine various proposals to address the economic burden of long-term health care costs.

The Ranking Republican Member continued to pursue several legislative initiatives to improve accessibility to and affordability of health care services in rural America. Measures that were backed by the House Rural Health Coalition (jointly founded by Representatives Tauke and Synar), were included in the Omnibus Budget Reconciliation Act of 1989.

SUBCOMMITTEE ON HEALTH AND LONG-TERM CARE

The Subcommittee on Health and Long-Term Care of the House Select Committee on Aging was chaired from 1975 until his death May 31, 1989, by Congressman Claude Pepper (D-Fla.), who also chaired the full Select Committee on Aging from 1977 to 1982. The Subcommittee, on which 18 Democrats and 12 Republicans served at the beginning of the second session of the 101st Congress, is responsible for undertaking a comprehensive continuous review of health care facilities, general health care issues, specific health concerns, health research and developments, health insurance, health delivery alternatives, health legislation, and the administration of health care programs, among other topics.

During the course of the first session of the 101st Congress, the Health Subcommittee: held 3 hearings (1 field hearing and 2 hearings in Washington, DC); produced 2 Committee print; monitored numerous legislative measures of interest to older Americans; briefed Members of Congress and their staffs on health-related issues; each week responded to approximately 200 telephone and written requests for information on legislative and administrative actions affecting older Americans; drafted numerous Congressional Record statements, press releases and amendments related to timely legislative matters under consideration by the Congress; and performed numerous other legislative, oversight and research activities. On an ongoing basis, the Subcommittee provided graduate students, undergraduates and working professionals with the opportunity to assist in the development of hearings, briefing papers and reports. These student interns and detailees provided valuable assistance to the Subcommittee staff. During the first session of the 101st Congress, the following universities and administrative agency were represented on the Subcommittee staff: University of Alabama, the University of California at Los Angeles, the U.S. General Accounting Office, James Madison University and St. John Fisher College.

The following report is an effort to summarize the issues that were explored by the Subcommittee through various investigative, administrative, legislative and oversight techniques available to it during the first session of the 101st Congress.

MEDICARE CATASTROPHIC COVERAGE ACT: IMPACT ON THE ELDERLY AND THEIR SUPPLEMENTAL MEDICARE INSURANCE

The House and Senate approved, and the President signed into law in 1988, legislation designed to help seniors protect themselves against the catastrophic costs of long hospital stays. While this was commendable, the fact remains that at least 80 percent of all catastrophic health care costs are associated with chronic illnesses

which do not require hospitalization and are nevertheless bankrupting.

The Medicare Catastrophic Coverage Act, while initially hailed as a major new health care reform for the elderly, was certainly not a gift to them, a fact which did not escape the attention of seniors.

The "catastrophic" program was to be paid for entirely by the elderly, a first for a Federal entitlement program. Opposition to the new law centered on the fact that the new benefits were too limited, helped too few, cost many seniors a great deal of money out-of-pocket annually, and did not even begin to address the major catastrophic health risk facing older Americans: long-term illness. These complaints and others fueled one of the most extensive grassroots campaigns in the history of Congress as seniors crusaded for repeal. In the end, of course, they were successful, with the House and the Senate repealing the program, preserving only certain Medicaid benefits not to be financed by seniors alone.

The Subcommittee devoted considerable time and effort to monitoring developments with the Medicare Catastrophic Coverage Act and will continue to explore the manner in which repeal will affect seniors. (Already, experts are forecasting sharp increases in Medigap premiums for 1990.)

Medigap insurance is a major industry in America. The Subcommittee estimates that 70 percent of all Medicare beneficiaries—roughly 23 million people—have Medigap insurance. The average policy costs about \$800, meaning our nation's senior citizens spent an estimated \$17 billion on Medigap insurance in 1989.

In January of 1989, the Part A hospital provisions of the catastrophic bill went into effect, limiting the hospital deductible to one annual payment and eliminating daily copayments for hospital stays longer than 60 days. One would have expected most Medigap policy rates to drop but, to the surprise of the Subcommittee and the general public, the rates rose in 1989.

In November, the Subcommittee held a hearing to examine the unexpected hikes in Medigap premiums and to look at the methods by which rate hikes are reviewed and approved in the 50 States and the District of Columbia.

After surveying State Insurance Departments across the country, the Subcommittee learned that every State reported an increase in some of their Medigap plans, ranging from a high of a 133% increase in an Arizona plan to a low of a 9% increase in South Carolina. Over half of the States reported that some of their plans increased by at least 25%.

The Subcommittee also found most States do not require that Medigap premium increases be formally approved before they go into effect. Two thirds of the States reported no approval process for policies sold to groups and one third said they didn't require approval of increases in individual plans. The majority of States also indicated that they do not even require that insurance companies file their planned increases. The increases go into effect automatically, without scrutiny by the Insurance Commissioners.

To address these problems, Chairman Roybal has prepared legislation establishing minimum Federal standards for approving Medigap rate increases and other functions.

LONG-TERM CARE FOR ALL CHRONICALLY ILL ELDERLY, DISABLED AND CHILDREN

According to Subcommittee data, over one million Americans are forced into poverty each year due to the costs associated with catastrophic, chronic long-term illness.

How to finance and administer a comprehensive long-term care program in institutions and at home is a critical area of health policy reform which has challenged Congress for decades.

The Subcommittee on Health and Long-Term Care carefully monitored activities dealing with long-term care, on and off Capitol Hill. To gather additional information on the scope of the problem, the Subcommittee held a field hearing in Philadelphia on the pressing need for long-term care. This session, chaired by Congressman Robert A. Borski (D-Pa), featured testimony from victims of long-term illness and their families, advocates for the elderly, health professionals and health policy experts.

THE PEPPER COMMISSION (U.S. BIPARTISAN COMMISSION ON COMPREHENSIVE HEALTH CARE)

In 1988, as a means of finding solutions to the pressing health care questions of the day, the House and Senate adopted as part of the Medicare Catastrophic Coverage Act an amendment establishing the U.S. Bipartisan Commission on Comprehensive Health Care. The author of the amendment, then-Subcommittee Chairman Claude Pepper, became Chairman of the Commission, which was later dubbed the Pepper Commission in honor of its founder. The 15-member group, composed of six Senators, six Congressmen and three Presidential appointees, began deliberations in early 1989.

The Pepper Commission is charged with presenting to Congress a plan for financing and administering a long-term health care program for all Americans. That plan is to be presented to Congress March 1, 1990, as is a Commission plan for financing and implementing a program of comprehensive health care for all Americans.

Because of the late Claude Pepper's intense interest in founding the Commission, and his later chairmanship of that body, the Subcommittee on Health and Long-Term Care has closely followed the activities of the Pepper Commission.

The Subcommittee devoted much time and energy to getting the Commission launched. Procedures and legislative guidelines had to be drawn up, office space found, staff chosen and an agenda set, among many other matters. The Subcommittee was pleased to welcome a detailee from the General Accounting Office to handle many of these concerns and to act as liaison between the Subcommittee and the Commission.

In 1989, the Commission, thought by many to be the driving force of health policy for the 1990s and perhaps beyond, held numerous hearings, in Washington, DC and around the nation, and briefings by policy experts, health professionals and others. These sessions have plumbed the depths of many complex health policy issues and called attention to possible courses of reform. Chairman Roybal, one of the initial supporters of legislation creating the Commission, has testified before the Commission and maintained

close ties with Commissioners and key Commission staff. Similarly, Subcommittee staff has remained in close contact with the Commission as it works toward fulfillment of Claude Pepper's goals.

BOARD AND CARE: A FAILURE IN PUBLIC POLICY

One type of long-term care, although it lacks the component of intensive medical care, is provided in "board and care" homes. "Board and care" is the broad term for facilities that provide shelter, food and protection to frail and disabled individuals.

For a variety of reasons, including the deinstitutionalization of mental patients, the elderly and the handicapped in the 1970s and the relatively low cost of care, board and care homes are a thriving industry in America. An estimated one million Americans currently live in 68,000 licensed and unlicensed board and care facilities, and 3.2 million more of our citizens are currently at risk for board and care placement.

Board and care currently costs Federal and State government \$7 billion annually. The Subcommittee in 1989 completed an exhaustive ten-year investigation of the industry, trying to learn what the government was receiving for its investment.

The investigation, which culminated in a 459-page report, included a thorough review of all available literature on board and care, a review of letters and case histories received by the Subcommittee since 1979, analysis of questionnaires sent to all State Licensing offices and State Long-Term Care Ombudsmen as well as follow-up telephone interviews with those officials, and 46 unannounced inspections of board and care homes, licensed and unlicensed, in nine States and the District of Columbia. Thousands of residents of these facilities were also interviewed, about their socioeconomic status and the quality of life in their respective homes.

The Subcommittee on Health and Long-Term Care released its findings at a joint hearing with the Senate Special Committee on Aging and the House Aging Committee's Subcommittee on Housing and Consumer Interests. The Subcommittee concluded that the more than one million elderly, disabled and mentally ill currently residing in board and care homes in America are frequently the victims of fraud, neglect and abuse. Often warehoused and drugged, this vulnerable population is usually unaware that their rights to meals, care and protection can be circumscribed by unscrupulous home owners and uncaring or untrained home managers. Unfortunately, the Federal government, which bears most of the nation's \$7 billion board and care bill through the Supplemental Security Income program, has no standards in place to protect this needy population. Regulation at the State level is spotty and the few laws existing are too often unenforced. The Subcommittee's late Chairman, Claude Pepper, introduced legislation creating Federal minimum standards for board and care homes.

PRIVATE LONG-TERM CARE INSURANCE: UNFIT FOR SALE?

In the absence of a long-term care program provided by government (besides Medicaid, for the very needy), a growing number of Americans are purchasing a relatively new insurance product, pri-

vate long-term care insurance. In 1987, about 125,000 policies were in force but by 1989, that number had grown to over a million.

Along with this astronomical growth came serious questions about the adequacy and value of such policies. Private long-term care insurance is a costly investment, with 1989 premiums ranging from \$250 to \$7,000 annually for various levels of care at different ages. The late Chairman of the Subcommittee, Claude Pepper, called upon the Subcommittee on Health and Long-Term Care and the General Accounting Office to conduct independent investigations of long-term care insurance.

The General Accounting Office's 1989 findings validated the Subcommittee's conclusions that long-term care insurance is simply not a good buy and adequate consumer safeguards are not in place. While properly regulated private long-term care insurance should have a role in filling coverage gaps in any public long-term insurance program, the policies as presently constituted have many serious flaws.

For example, the large majority of policies reviewed by the Subcommittee and the GAO required a hospital stay of three consecutive days before benefit eligibility. Only one third of all elderly are ever hospitalized prior to nursing home placement. Just over half of the policies reviewed excluded coverage for mental disorders, including Alzheimer's disease, even though Alzheimer's is the leading cause of nursing home placement.

Even though many long-term care policies guarantee renewability, a clause contained in nearly all policies reviewed allows companies to cancel a policy for all policyholders in a particular State. And few long-term care policies' benefits are adjusted for inflation, although this country has seen an average six percent rise in nursing home care costs annually.

To summarize the GAO findings and its own, the Subcommittee released its report on long-term care insurance in May of 1989. The report recommended that long-term care insurance be banned as primary coverage for long-term care or, in the absence of such a ban, that only those private long-term care insurance policies certified as meeting Federal minimum standards, which need to be enacted in the near future, should be allowed to be sold. Also, the Subcommittee called upon Congress to make it a felony to perpetrate certain abusive sales tactics in the marketing of long-term care insurance.

SUBCOMMITTEE ON HOUSING AND CONSUMER INTERESTS

The Subcommittee on Housing and Consumer Interests is responsible for oversight and investigative activities relating to housing programs for the elderly and programs and issues affecting older consumers. Consistent with these responsibilities and the aging-related interests of other subcommittee Chairpersons and Members, the Subcommittee oversees the implementation of a score of federal programs. These programs include the Section 202 housing assistance program for the elderly and handicapped, the Section 8 programs, public housing, and other programs designed to provide shelter and assistance to elderly persons, including the homeless.

In addition, the Subcommittee focuses on a number of other elderly housing programs: the Congregate Housing Services Program (CHSP), mortgage insurance programs administered by the Department of Housing and Urban Development (HUD), private and HUD home equity conversion programs, continuing care retirement communities, housing data collection, and the rural housing assistance programs administered by the Farmers Home Administration (FmHA) in the Department of Agriculture.

Further, because of the interrelationship between energy problems faced by older persons and other housing and consumer interest concerns, the Subcommittee also oversees the Low-Income Home Energy Assistance Program (LIHEAP) and weatherization programs administered by the Department of Health and Human Services and the Department of Energy, respectively.

In the area of consumer issues, the Subcommittee's efforts focus on the activities of the Food and Drug Administration, the Consumer Product Safety Commission, and the Federal Trade Commission, as well as on the consumer rights aspects of other federal agencies and programs. The Subcommittee's focus includes consumer issues encountered by the elderly in Federal health programs such as Medicare, Medicaid, and in the purchase of private health insurance; and in consumer banking issues. Finally, the Subcommittee plays a continual advocacy and legislative role in shaping Older Americans Act programs, including its Long-Term Care Ombudsman Program, which assists residents (consumers) of nursing homes and other long-term care facilities.

HOUSING AUTHORIZATIONS AND APPROPRIATIONS

During the first session, the Chairman worked with other members of the Aging Committee to improve the funding levels and provisions for aging programs in the housing authorization bill and the appropriations bill. Chairman Florio submitted testimony to the VA, HUD, and Independent Agencies Subcommittee of the Committee on Appropriations during consideration of the FY 1990 appropriations bill. The Chairman's testimony included documenta-

tion of the massive cutbacks in Federal housing programs that have occurred since 1980. The Chairman also expressed concern that current Federal programs are unable to fill the present housing needs of low-income Americans.

The Chairman highlighted the importance of the Section 202 program for the elderly and the handicapped and urged restoration of funding for 12,000 units for the elderly and disabled (\$571 million) to the amount appropriated in 1987. In addition, he requested Section 8 rental subsidies for all of the 12,000 units.

Rep. Florio noted the need for new construction and rehabilitation of existing units, and increased operating subsidies for Indian and public housing. Specifically, he called for the funding of all assisted housing programs at a minimum at current levels. He also urged the appropriation of additional funds to assist public housing authorities in their fight against drug sales and use in their projects.

Continuing the Subcommittee's advocacy for the CHSP, the Chairman stressed the need for expansion of the program's number of sites and level of funding. The Chairman advocated for a full appropriation of the \$10 million authorized for the program, citing its record of success and savings of Medicaid dollars.

Chairman Florio and staff closely followed the HUD scandals and attended hearings related to the scandals. The Chairman strongly supported the efforts of the Subcommittee on Housing and Community Development of the Banking Committee and the Subcommittee on Employment and Housing of the Government Operations Committee in seeking facts and evidence in the HUD scandals. The Chairman and staff of the Housing and Consumer Interests Subcommittee carefully analyzed the reform proposals of House Members as well as those of Secretary Kemp, and were supportive of the reform package, H.R. 1, that passed the House.

Since housing reform legislation was not linked with a housing authorization bill during the first session of the 101st Congress, the Chairman supports action in the second session of Congress to deal with existing and proposed housing programs. Specifically, Rep. Florio has worked to ensure inclusion of his two bills, H.R. 3006, the "Reverse Mortgage Insurance of Older Americans Act of 1989," and H.R. 3497, the "Home Repairs for Older and Disabled Homeowners Act of 1989," in comprehensive housing legislation.

CONGREGATE SERVICES

Chairman Florio strongly supports the CHSP, and has actively advocated for its expansion beyond the current 61 sites. This successful program clearly shows that services provided to older adults in their homes prevent premature institutionalization and allow them to retain the option to live in the community. Administered by HUD, the CHSP provides meals and other supportive services to elderly and disabled residents of public housing and Section 202 projects who because of their frailty are at risk of being forced out of their homes and into institutional care. The CHSP was designed to address the diminishing independence of great numbers of older Americans who are "aging in place."

During the first session, the Chairman and staff researched legislation on congregate services in Federally-subsidized housing, including the analysis of housing bills in the House and Senate. Staff met with representatives of several aging organizations to plan legislative initiatives to fill in the service gaps of proposed housing legislation.

The Chairman held a field hearing in Toms River, New Jersey entitled, "Aging in Place: Problems and Solutions for Older Residents of New Jersey." The hearing included panels on home health care, home equity conversion, congregate housing services, and life care.

SECTION 202 HOUSING

The Section 202 program is a vital and popular program for low-income older and disabled residents that has proved to be very successful. This program, which was first authorized in 1959, has evolved into the primary Federal financing vehicle for constructing subsidized rental housing for older adults and disabled Americans. The current 202 program provides direct loans to private, nonprofit sponsors to develop housing designated to meet the unique needs of low-income older adults and persons with disabilities. The program is also linked to the Section 8 certificate subsidy program in order to ensure that tenants do not pay more than 30% of their incomes for rent.

Regrettably, the VA, HUD and Independent Agencies Appropriations Bill once again reduced the number of Section 202 housing units. Despite Chairman Florio's and aging organizations' testimony calling for a minimum of 12,000 additional units, the Appropriations Committee funded only 8,500 additional units for fiscal year 1990. Approximately 200,000 units have been built under the 202 program since its inception, and very few defaults have occurred. This very successful program is the only remaining HUD construction program of any significance. However, over the past decade, the 202 program has been reduced by more than 50%, from over 20,000 units in the late 1970s to 8,500 units in fiscal year 1990.

Continuing the Subcommittee's work with the 202 program, Chairman Florio released a study that was done by the University of Illinois in conjunction with the American Association of Retired Persons (AARP) and the Subcommittee's staff that highlighted the shortage of 202 housing and explored some of the problems with this housing. First, the study found that for every one 202 unit that becomes available, there are eight eligible persons waiting to move in. Second, the study documented that residents of 202 housing are "aging in place" and their needs for supportive services are growing. The average age of residents has increased to over 75 years old, and this increase has strained supportive service resources. Although many projects provide assistance to their residents, few projects have the benefits of programs like the CHSP.

Third, the study found that the oldest projects were the best equipped to handle changing needs of persons aging in place. As a result of severe restrictions on unit design, community space, and construction costs, new facilities are more poorly equipped to provide for the special needs of frail older persons, and more likely to

need costly repairs. For example, elevators for two-story 202 projects, which are essential for frail older adults, have often been disallowed in recent years in order to reduce project construction costs. The goal of providing a facility uniquely designed to serve the needs of the elderly and disabled has been severely hampered by funding restrictions and short-sighted Federal policies.

Last, the study found that the 202 program is an effective, well-managed, and respected Federal housing program, and that the program is targeted better than ever to very low-income persons and minorities.

The Chairman is currently working with the General Accounting Office on additional studies regarding the 202 program, which will show other areas in which the program can be improved.

REVERSE MORTGAGE PROGRAM

A reverse mortgage operates in the opposite way from a traditional forward mortgage. Rather than borrowing a lump sum to buy a house and repaying it monthly (forward mortgage), a homeowner instead receives monthly advances based upon his or her home equity. The repayment plus interest will be paid in the form of a lump sum at a future date—when the borrower dies, sells the house, or upon reaching a previously agreed to date. The arrangement allows homeowners to receive a stream of income based on the accumulated equity in their homes.

The current Home Equity Conversion Mortgage Insurance Demonstration Program, which is administered by HUD, insures 2,500 reverse mortgages. The mortgages are available to homeowners who are 62 years of age and older and have little or no mortgage debt remaining on their property. The demonstration, which is authorized through September 1991, enables elderly homeowners to convert the equity in their homes into cash. The Federal Housing Administration (FHA) insures the reverse mortgages and protects both the lenders and the homeowners against risks such as default and eviction.

In response to the overwhelming demand for these reverse mortgages on the part of lending institutions and older homeowners, the Chairman introduced H.R. 3006, the "Reverse Mortgage Insurance for Older Americans Act of 1989." This legislation expands the current home equity demonstration program from 2,500 mortgages to 25,000 mortgages, and adds important consumer protections. The bill would also provide a broader base and range of cases on which Federally-guaranteed reverse mortgages could be evaluated.

Reverse mortgages and other types of home equity conversion represent important alternatives for older adults who own their own homes. It is estimated that there is \$630 billion of equity tied up in the houses of persons 65 years of age and older, and by 1990 that figure will increase to \$750 billion. The goal of H.R. 3006 is to tap into these enormous resources for the benefit of the homeowner, while preserving the option for that person to remain in his or her home during the aging process. On the Senate side, Senator Graham has introduced companion legislation which has been incorporated into the Cranston housing reform package.

HOME REPAIRS FOR THE ELDERLY

In response to the need for a coherent approach to provide home repairs for older and disabled homeowners, the Chairman introduced H.R. 3497, the "Home Repairs for Older and Disabled Homeowners Act of 1989." The bill is based in part on a HUD demonstration project conducted in 1981 and 1982 in seven cities across the country. The Chairman worked closely with AARP on this legislation.

The legislation establishes 2-year competitive grants through HUD to local governments, nonprofit organizations, and Indian tribes for the purpose of providing home repair services to older and disabled homeowners. Eligible repairs include preventive repairs and modifications, weatherization and energy-related measures, emergency repairs, security-related measures, accessibility and suitability repairs, and general repairs. Grantees are required to serve a minimum number of households based upon the amount of the grant.

The bill also addresses the fact that older and disabled individuals may have social service needs in addition to the need for home repair services. Since providers of home repair services have access to the homes of older and disabled adults, they are in a unique position to witness the need for additional services. The legislation requires grantees to provide, upon request of the homeowner, information on other appropriate agencies and organizations in the area that provide services to individuals other than home repair services.

To remedy the lack of accurate, comprehensive housing data, the legislation also requires the standardized collection of data by grantees, including information on housing quality and conditions, major repairs needed, and the demand for additional services. This data will help paint a clearer picture of the needs of older and disabled homeowners and the condition of our Nation's housing stock. Rep. Oakar, who cosponsored this bill, plans to offer it as an amendment to H.R. 1180, the Housing and Community Development Act.

LOSS OF FEDERALLY-ASSISTED HOUSING UNITS

The current lack of affordable and adequate housing for low-income older Americans promises to worsen dramatically over the next twenty years. While demand continues to expand due to a rapidly growing elderly population, new construction of Federally-assisted housing was reduced to a trickle under the Reagan Administration. There has been a 70% reduction in outlays since 1981. Moreover, many existing public housing facilities, in which the elderly comprise 45% of the tenants, are in need of substantial repair. Assisted housing has been reduced from \$25 billion in fiscal year 1981 to \$7.5 billion appropriated for fiscal year 1989, an 80% reduction.

The crisis is likely to be significantly compounded by the potential loss over the next 20 years of more than one million housing units due to the prepayment of mortgages by private owners of Section 236, Section 221 and Section 515 housing, and the expiration of Section 8 contracts which subsidize the rent of low-income tenants.

Many private holders of Federally-subsidized mortgages have the right to prepay the mortgage, typically at the 20-year mark of a 40-year loan. Once the mortgage is paid, the owner is no longer obligated to provide low-income housing.

Similarly, contracts for rent subsidies are for time-limited periods. If the contract is not renewed when the subsidy time period expires, the units supported by the subsidized rent will be available for markets other than those of low-income renters. Either the operator of the low-income housing or the Federal agency granting the subsidy may decide not to renew the subsidy contract. The Congressional Budget Office and others estimate that the loss of low-income units in HUD and FmHA programs over the next 20 years could exceed one million due to prepayments and contract expirations.

With the advent of the Bush Administration, the Subcommittee welcomed the opportunity to reverse the negative effects of the Reagan Administration housing policies. Chairman Florio requested a study by the Congressional Research Service to document the recent trends in housing and the effects of these trends on the housing stock for the future. In addition, the Chairman strongly supported the comprehensive housing bills initiated in the House and Senate and introduced legislation to be included in these initiatives.

BOARD AND CARE FACILITIES

The Chairman conducted a joint hearing with the late Rep. Claude Pepper and Senator David Pryor of the Senate Special Committee on Aging to investigate the tragic living conditions that some residents of board and care facilities experience. The Chairman released at the hearing a study conducted by subcommittee staff of several board and care facilities in New Jersey, which provided examples of the abuse, neglect, and miserable conditions that are found in such facilities.

Rep. Florio joined Rep. Claude Pepper in introducing H.R. 2219, the "National Board and Care Reform Act of 1989." This legislation would establish minimum National standards to protect the elderly and other residents of board and care facilities from abuses documented in the board and care hearings.

FARMERS HOME ADMINISTRATION (FMHA) PROGRAMS

The Subcommittee continued oversight of FmHA programs. These programs included the Section 515 program for the elderly and handicapped, the Section 504 housing preservation grant program, the Section 513/514 housing for older farmworkers program, as well as congregate services in rural housing. Staff toured several Section 515 projects in Maryland and met with developers, managers, and residents of the projects. In addition, Chairman Florio requested and received a detailee from the FmHA for three months. This person provided a comprehensive summary of FmHA programs, funding, and options for future legislative action.

HOUSING FOR INDIANS

The Subcommittee remains committed to assisting older minority populations with housing and other needs, and has taken a special interest in issues affecting Native American Indians. Chairman Florio and other Members wrote to the Administration on Aging Commissioner to express concern about regulations for grants to Native American Tribes under Title VI of the Older Americans Act. Their letter also expressed concern about potential funding reductions for Title VI.

The Subcommittee issued a report titled, "The Housing Status of Indian Elders," authored by the staff of the National Indian Council on Aging.

CONSUMER INTERESTS

OLDER AMERICANS ACT

The Chairman strongly supports the intent and programs of the Older Americans Act and urges full funding of all programs. This worthwhile law has done much to assist older adults in the areas of employment, nutrition, transportation, home care, housing, and other services. The Chairman strongly supports the objectives of the Act and utilizes the Subcommittee to highlight abuses and problems under the Act, as well as to call for more funding.

Staff met with aging program directors in Seattle, Washington and toured sites of a senior nutrition program. Staff are currently researching and drafting legislation to amend the Older Americans Act in the area of nutrition services.

The Chairman cosigned a letter to the President urging him to convene the White House Conference on Aging in 1991. The conference is especially critical as the rapidly growing aging population poses challenges in the areas of long-term care, housing, acute care, out-of-pocket costs, etc.

OUT-OF-POCKET COSTS FOR HEALTH CARE

As Medicare and health care costs to individuals continue to skyrocket, the Subcommittee has explored ways in which costs can be contained as well as ways that older adults can be protected from financial devastation due to these costs. While the cost of care provided in hospitals has been substantially restrained in recent years, the cost of physicians and other patient care continues to grow rapidly.

The Chairman and the General Accounting Office (GAO) released a study on the impact of state mandatory assignment provisions on Medicare beneficiaries. The study found that in the four states that have mandatory assignment laws:

- Beneficiaries enjoy reduced out-of-pocket health care costs. Massachusetts beneficiaries saved \$12.5 million in 1987.
- Access to care has not been compromised; doctors did not quit the Medicare program or move away more frequently than in other states.
- The laws did not lead to greater numbers of services per beneficiary; that is, there were no significant increases in service utilization.

In addition, to provide a comparison, the GAO looked at 25 states with voluntary assignment programs initiated by medical societies since passage of the Massachusetts mandatory assignment law in 1985. In these states, there was no indication that voluntary programs reduce out-of-pocket costs.

Staff has responded to numerous inquiries and met with interested parties about the study. In addition, the Chairman prepared an editorial regarding physician payment reform for a senior citizen publication.

LONG-TERM HEALTH CARE

The pattern of illness and disease has changed dramatically in the past 80 years; whereas acute conditions were predominant at the turn of the century, now chronic conditions are the more prevalent health problem for elderly persons. Four out of five persons 65 and over have at least one chronic health condition, and in 1985, nearly 12 million elderly citizens had some limitation of daily activity due to chronic conditions. An increase of greater than 50% in these figures is expected by the year 2000 due to the rapidly growing population of adults over the age of 85. Unfortunately, Medicare, Medicaid, other public programs, and private insurance do not adequately cover the long-term services that older adults need or want.

The way in which the Federal Government addresses the long-term, chronic care dilemma is inadequate, inhumane, and cost ineffective. Those who may not need nursing care are often prematurely and inappropriately institutionalized due to a lack of better alternatives. We need to ensure access to the most appropriate level of care in the most compassionate and cost effective manner possible. Federal and state support for noninstitutional long-term care options is very limited.

During the first session, the Chairman conducted a hearing on Medigap insurance programs and their post-catastrophic care bill premium increases. The hearing was conducted under the auspices of the Chairman's Energy and Commerce Subcommittee on Commerce, Consumer Protection, and Competitiveness, and served as a follow-up to a prior hearing on this subject by the Subcommittee on Housing and Consumer Interests.

The Subcommittee also held a field hearing in Vancouver, Washington, chaired by Representative Jolene Unsoeld (D-WA) and co-chaired by Representative Ron Wyden (D-OR). The hearing, entitled, "Long-Term Care for Seniors: Where Do We Go From Here?" focused on acute care issues, chronic care issues, and Medigap insurance issues.

CLOSED CAPTIONED TELEVISIONS

The Chairman continued the work of the Subcommittee to assist the hearing impaired, which include 38% of older Americans. Specifically, he introduced H.R. 2968, the "Public Access to Captioned Television Act of 1989," to help make closed-captioned television more widely available to hearing-impaired individuals. The legislation would require public facilities to provide access to captioned

television to over 21 million people in the United States who are deaf or hearing-impaired.

Specifically, H.R. 2968 would require that Federally-funded nursing homes, hospitals, and universities as well as secondary and elementary schools, make decoder technology available for the hearing impaired who use television sets in these facilities. Hotels that do business with the Federal Government would be required to provide hearing-impaired guests with rooms furnished with televisions capable of displaying closed-captioning. Also included in the bill is a requirement that all Federally-funded public service announcements be closed-captioned.

The Chairman and staff worked closely with organizations representing deaf and hearing-impaired individuals to incorporate provisions of this bill into the Americans with Disabilities Act (ADA). In conjunction with this effort, Chairman Florio also worked with Chairman Markey of the Subcommittee on Telecommunications and Finance of the Energy and Commerce Committee to include in the ADA a requirement that all Federally-sponsored or funded public service announcements be captioned.

Staff made presentations to the Deaf Way International Conference on Chairman Florio's efforts to expand the availability of closed-captioned television. Staff also addressed the National Hearing Aid Society to update its members on the prospects for Medicare reimbursement for hearing aids and on trends in Federal health care policy. In addition, the Subcommittee continued research on legislation to assist deaf and hearing-impaired persons.

SURROGATE DECISIONMAKING FOR ADULTS

Due to the overwhelming response to a print on model guardianship standards, the Chairman prepared a subsequent report on this topic. The Chairman recognizes the importance of model standards for the protection of older adults, representative payees, and guardians. Staff spoke to the National Guardianship Association and responded to numerous inquiries regarding the report.

DELAYED ANNUITY BENEFITS FOR FEDERAL RETIREES

Many Federal retirees have had to wait six months and longer to receive their first annuity checks after retirement. Due to delays in processing necessary paperwork, many retirees have experienced excessive delays in receiving their retirement checks. The delays caused undue financial hardship and emotional stress for retirees.

The procedure to receive retirement benefits has several steps. Personnel procedures require retiring Federal employees to complete an application with supporting documents and provide these to their Federal agency. The Office of Personnel Management (OPM) must wait for each retiree's agency to provide his or her records and supporting documents before they can authorize the first annuity check. Once this has been done, the Treasury Department processes the check, and the Postal Service delivers it.

In response to the delayed annuity benefits for Federal retirees, the Chairman introduced H.R. 1059, the "Fairness for Federal Retirees Act of 1989." This legislation requires agencies to provide individuals with retirement counseling to advise them of the benefits.

Agencies must keep employment records up-to-date through verification subsequent to hiring and transfers. The bill also requires OPM to make annual reports to Congress on Federal agency processing times, and the time elapsed before the authorization of the first annuity check.

Staff assisted several Federal retirees who have had delays in receiving their retirement checks. The Subcommittee continues to monitor the processing of retirement paperwork to ensure timely payment of checks, and there is evidence that introduction of H.R. 1059 has motivated agencies to improve their performances.

SUBCOMMITTEE ON HOUSING AND CONSUMER INTERESTS
MINORITY REPORT

HOUSING

INCREASING THE SAFETY OF HOUSING FOR SENIOR CITIZENS

A major initiative of Ranking Minority Member Jim Courter during 1989 has been protecting senior citizens from crime. The Ranking Minority Member introduced two bills during the first session of the 101st Congress that will enhance the safety of seniors, whether they live in private homes or in Section 202 housing projects. H.R. 3495, the "Senior Citizens Safety Act of 1989," would provide a tax credit of up to \$250 for seniors to purchase residential security devices, such as alarms, locks, security lighting, or protective window bars. Through this federal assistance, seniors would be better able to afford the kinds of improvements in their homes that can make the difference between safety and vulnerability.

The Ranking Minority Member also introduced H.R. 3494, the "Secure Senior Citizen Housing Act of 1989," which addresses the issue of safety in Section 202 housing. In recent years, the Department of Housing and Urban Development (HUD) has implemented cost containment restrictions to keep down construction costs of subsidized housing. While some cost provisions relate to issues such as the size of rooms, the Aging Committee has received testimony about the denial of sprinklers and fire prevention systems because of cost containment provisions. To ensure that in an effort to cut corners, the safety of senior citizens is not endangered, H.R. 3494 would prohibit HUD from establishing cost containment limitations that prohibit the inclusion of design features for the security of the residents, such as locks and exterior lighting. In order to establish safety as a priority in senior citizen housing, H.R. 3494 also directs the Secretary of Housing to encourage the inclusion of appropriate security features in 202 housing.

The Ranking Minority Member submitted editorials to several newspapers on safety precautions senior citizens can take to reduce their vulnerability to crime and on his legislation to combat crime against senior citizens in their homes.

FAIR HOUSING

Because of his commitment to providing adequate housing opportunities for senior citizens, the Ranking Minority Member has been closely monitoring the impact of the Fair Housing Amendment Act of 1988 (P.L. 100-430) on senior communities. The Ranking Minority Member cosponsored H.R. 646, introduced by Representative Saxton, to extend the effective date of the transition period for the senior housing exemption contained in P.L. 100-430.

The Ranking Minority Member also cosigned a Congressional letter authored by Representative Shaw to Housing Secretary Jack Kemp in response to HUD regulations implementing P.L. 100-430. These regulations call for senior communities to seek exempt status from the prohibition on banning families with children on a case-by-case basis, rather than through a pre-certification procedure. In the letter, the Members told Secretary Kemp that the HUD regulations failed to provide clear guidance to senior communities seeking exemptions, and would likely result in a flood of litigation and uncertainty for seniors. In his response, the Secretary maintained his belief that a pre-certification procedure was unnecessary, but Secretary Kemp assured us that should the Department's experience with the enforcement of the housing for older persons exemption demonstrate that a pre-certification procedure would prove cost-effective, he would reconsider the appropriateness of establishing such a procedure.

CONSUMER ISSUES

ACCESS TO HEALTH CARE

Long Term Care.—The Ranking Minority Member cosponsored the "Older Americans Long-Term Care Insurance Act of 1989" (H.R. 3621), which was introduced by the Aging Committee Ranking Minority Member, Mr. Rinaldo. H.R. 3621 is designed to encourage the private insurance industry to offer affordable long-term care policies and provide incentives for individuals to purchase these policies.

The Ranking Minority Member also cosponsored H.R. 2499, introduced by Representative Kennelly, to permit states to include, at their option, certain long-term care services under their Medicaid plans.

The Medicare Program.—The Ranking Minority Member has actively fought cuts in Medicare payments to hospitals to ensure the availability of high quality health care for senior citizens. The Ranking Minority Member was an original cosponsor of H. Con. Res. 40, the "Protect Medicare 90" resolution introduced by Representative Nancy Johnson. This resolution called for a one-year moratorium on cuts in Medicare payments to hospitals. The Ranking Minority Member also authored his own letter to the Chairman of the House Committee on the Budget, Mr. Panetta, expressing his strong opposition to cuts in Medicare hospital payment rates for fiscal year 1990. Furthermore, the Ranking Minority Member cosigned a letter to President Bush with Representative Archer in opposition to cutting Medicare payments to hospitals in fiscal year 1991.

To ensure that home health care remains a viable option in high cost areas of the nation, the Ranking Minority Member cosigned a letter drafted by Representative Gallo to the conferees on the Omnibus Budget Reconciliation Act of 1989 in support of accelerating the setting of regional Medicare payment rates for durable medical equipment instead of creating a national payment rate. The final conference agreement did not include the national fee cap.

The Ranking Minority Member cosigned Senator Frank Lautenberg's letter to Secretary Louis Sullivan regarding the difficulties New Jersey Medicare beneficiaries have experienced in obtaining

Medicare reimbursements through Blue Shield of Pennsylvania. In the letter, the New Jersey Congressional delegation urged the Secretary to investigate this situation, which threatens to deny Medicare beneficiaries access to adequate health care. The Ranking Minority Member also cosigned a letter drafted by Representative Pallone requesting Secretary Sullivan to dispatch a special team from the Health Care Financing Administration to resolve the Medicare reimbursement crisis being experienced by patients and physicians in New Jersey.

The Ranking Minority Member submitted remarks at the Subcommittee on Health and Long-Term Care hearing entitled "Medigap Insurance—The New Catastrophe" in which he expressed his concern that increases in Medigap costs will force many seniors to drop their supplemental policies and lose important protection from rising health care costs. He also expressed his concern about reports that some insurance companies may be using the repeal of the catastrophic care program as an excuse to raise rates above the levels necessary to compensate for the additional coverage.

DECEPTIVE MAILINGS

The Ranking Minority Member has been an opponent of the use of deceptive mail practices by organizations that try to cheat senior citizens by implying a connection with the federal government. The Ranking Minority Member was an original cosponsor of H.R. 373, the Deceptive Mailings Prevention Act of 1989, introduced by Representative Snowe, to put a stop to this type of practice.

ELDER ABUSE AND NEGLECT

The Ranking Minority Member submitted remarks to the conference hosted by the Gerontology Institute of New Jersey on "Elder Abuse and Neglect: A Model for Action." In his remarks, the Ranking Minority Member discussed the progress the Committee has made in increasing the federal government's involvement in efforts to combat elder abuse. The Ranking Minority Member also called on the states and communities to increase their efforts to protect the elderly from abuse. Mr. Courter commended New Jersey specifically for providing important protection to elderly in institutional settings through mandatory reporting requirements, and he called on the State to extend this protection to the elderly living in the community.

LIHEAP

The Ranking Minority Member believes that the Low-Income Home Energy Assistance Program (LIHEAP) provides critical assistance to needy senior citizens, and he opposes the drastic cuts that have been made in this program's funding over recent years. In response to this situation, the Ranking Minority Member cosigned a Congressional letter drafted by Representative Kildee to Representative Natcher in support of funding the LIHEAP program at no less than the fiscal 1989 services level of \$1.4 billion, and preferably at the higher fiscal 1988 funding level.

ACCESS TO VOTING

In order to eliminate a major roadblock that prevents many senior citizens from voting in federal elections, the Ranking Minority Member cosponsored H.R. 180, the Visually Impaired Voters Assistance Act of 1989, introduced by Representative Gallo, to require states to make enlarged print voting aids and ballots available in federal elections to visually impaired voters. This issue is particularly important to senior citizens, since among persons age 65-74 one person in seven is visually impaired.

OTHER ACTIVITIES

The Ranking Minority Member continued his strong advocacy of repealing the Social Security outside earnings test, which unfairly penalizes senior citizens who possess the skills and experience that would allow them to make significant contributions to the nation. The Ranking Minority Member submitted remarks at the Subcommittee on Retirement Income and Employment hearing, "Better Utilizing an Older Workforce: Focus on Intergenerational Day Care." Mr. Courter urged enactment of legislation he cosponsored introduced by Representative Hughes, H.R. 3079, to exempt child care earnings from the Social Security earnings test for workers aged 65 and older. The Ranking Minority Member also urged enactment of legislation he has cosponsored, H.R. 58, to completely repeal the earnings test and remove this limit to older Americans' freedom to work.

The Ranking Minority Member cosigned Representative Downey's letter to President Bush urging the President to convene a White House Conference on Aging in 1991 to focus on the special needs of senior citizens.

The Ranking Minority Member submitted a written statement for the record of the Committee on Aging hearing, "Waivers Under the Age Discrimination in Employment Act."

The Ranking Minority Member cosponsored H.R. 710, Representative Saxton's legislation to ensure equitable tax treatment of retirement benefits.

SUBCOMMITTEE ON HUMAN SERVICES

The Subcommittee on Human Services has as its primary responsibilities the overseeing of Federal programs providing basic social and human services to the elderly.

The Subcommittee accomplishes this work in a variety of ways. It conducts oversight hearings and disseminates results to the aging and community. It serves as an advocate with various Congressional standing Committees to ensure that needed legislative changes are accomplished and adequate funding levels are provided. The Subcommittee staff, both majority and minority, work closely with all levels of the aging network that are involved in developing and providing human services to the elderly. This work includes regular correspondence, telephone calls, meetings, attending other Committee hearings and participation in conferences.

Below is a summary of the activities of the Subcommittee on Human Services for the first session of the 101st Congress.

DRUG UTILIZATION REVIEW

The Subcommittee held its first hearing of the 101st Congress in April entitled, "Drug Misuse Among the Elderly and its Impact on Community Based Care" which addressed the growing problem of drug misuse and mismeasurement among the elderly. The hearing was also an oversight hearing on the now-repealed provision in the Medicare Catastrophic Coverage Act that mandated the Department of Health and Human Services to establish a drug utilization review. The hearing's main focus was the Department of Health and Human Services' Inspector General's report which called the problem of drug misuse among the elderly the "nation's other drug problem." Among the findings of the report were first, although Americans aged 60 and over comprise only 17 percent of the total U.S. population, they account for 30 percent of all hospitalizations and 51 percent of deaths from drug reactions; and second, the problem is likely to grow unless an effective drug utilization review is implemented.

The Subcommittee held a second hearing in August on the specific subject of Medicare's Drug Utilization Review and whether or not the Health Care Financing Administration was following congressional intent. This hearing focused primarily on a recently released General Accounting Office report entitled "HCFA's Proposed Drug Utilization Review System Ignores Quality of Care Issues" and whether or not HCFA's plans for the Drug Utilization Review were the best possible ones for a program of this magnitude.

(NOTE.—While the drug benefit provision was dropped with the repeal of the MCCA, the Subcommittee plans to continue to conduct oversight investigations into this particular subject area. In

addition, follow up letters to key Food and Drug Administration officials as well as to the Health Care Financing Administration requesting additional information are still pending responses.)

In addition, the Ranking Minority Member introduced legislation to clarify the intent of Congress for the drug utilization component of the prescription drug benefit under the MCCA of 1988. She also initiated a letter to Secretary Sullivan, signed by the leadership of the House and Senate Aging Committees, urging that he delay the request for proposal for the drug utilization review processing until after the release of the GAO report of HCFA's implementation of the drug utilization review program.

OLDER AMERICANS ACT—APPROPRIATIONS, REAUTHORIZATION AND OTHER ISSUES

The Chairman appeared before the House Appropriations Committee's Subcommittee on Labor/HHS Education as an advocate for the Older Americans Act and its various programs. The Chairman requested that special attention be given to those provisions which provide nutrition—both home delivered and congregate, community based care, employment, community services to Indian elders, and outreach services to SSI recipients.

The Chairman also took up the issue of upgrading the status of the Commissioner of the Administration on Aging by having she/he report directly to the Secretary of HHS. He noted that it was the intent of Congress that the Administration on Aging not only be the lead Federal agency and the Commissioner the lead Federal official advocating for the elderly, but also the Administration on Aging be able to control its own budget and programs. The Chairman raised the issue of the status of the Administration on Aging directly with the Secretary of HHS in a meeting.

In addition, the Chairman requested \$5 million in start up funds for a 1991 White House Conference on Aging as called for in the 1987 Amendments to the Older Americans, pending announcement by the President.

In anticipation of that announcement, the Subcommittee held a hearing in June of 1989 in order to assess the differing concerns and views with regard to a 1991 Conference. In addition, in September, the Chairman, along with 92 Members of Congress, sent a letter to the President requesting his expeditious action in calling for the Conference because time is running short, and the planning must begin at the Federal, state and local level in order to have an effective conference. The Chairman also held a press conference in late October at which time he was joined by several members of the Aging Leadership Council criticizing the Bush Administration for their delay in calling for the Conference.

As a follow up to the letter to the President co-signed by 92 Members, the Ranking Minority Member wrote another letter together with Senator Grassley requesting action on this issue.

The Chairman introduced a bill amending Section 311 of the Older Americans Act to allow nutrition site providers to be reimbursed for serving a second meal daily to seniors provided that the aggregate nutritional value of both meals equals two thirds the required dietary allowance. The Subcommittee solicited cosponsors,

completing the year with 47 Members of Congress signed on. In addition, a companion bill was introduced by Senator Mark Hatfield (R-Oregon), S. 1997 on November 21.

The Subcommittee began to collect information from the membership of the aging leadership council in order to establish priorities and set the Subcommittee agenda for the reauthorization process, scheduled for 1991.

ELDER ABUSE

In early June, the Subcommittee held a hearing entitled "Elder Abuse: An Assessment of the Federal Response." The purpose of this hearing, held on the tenth anniversary of the first National Conference on Abuse of Older Persons in the nation, was to assess our national response to the tragic problem of elder abuse—physical, emotional or financial.

The results of the hearing showed that for the past ten years, the Federal role has been evolving, but that the need for stronger commitment and additional resources are essential as we enter the second decade. The hearing demonstrated that States are taking the lead in identifying the problem from within, and the Federal government must work more closely with the States and local governments in dealing with this problem. In addition, the issue of mandatory reporting laws needs to be addressed, with a specific need for clear definitions to be made, especially for situations that involve law enforcement. The hearing also emphasized the need for more involvement from the medical and social work communities.

COMMUNITY BASED SERVICES AND CARE

In conjunction with the 14th Annual Training Conference on the National Association of Area Agencies on Aging, the Subcommittee on Human Services held a hearing in July entitled, "Expansion of Community Based Services to Special Populations." The focus of this hearing was the long standing Congressional concern that the services provided by the Older Americans Act for the past 25 years are to be made available to *all* older persons in need of assistance. During the Act's last two reauthorizations, language strengthened the targeting of services to those in the greatest social or economic need, with particular attention to low income minority persons. In response to continued reports that there has been a lack of effective targeting of services to these groups, the 1987 amendments specifically included requirements that States and area agencies on aging identify those special elderly populations in their planning area, and describe methods to meet their needs. In addition, in its most recent reauthorization, important new provisions aimed at specific target groups were included in the Older Americans Act, including the frail elderly and those with special needs.

The hearing presented the Subcommittee with a vast array of special elderly populations and their needs, and provided the Members with valuable information on these special groups.

Because of her continued concern about community based home health care, the Ranking Minority Member continued to work closely with the Advisory Committee on Home Health Claims which conducted a comprehensive 12-month examination of the

reasons for the increase in the denials of claims for home health services during 1986 and 1987. The Ranking Minority Member arranged a field hearing of the Advisory Committee in Maine, at which she testified. To assure expert oversight over the implementation of the Advisory Committee's recommendations, she introduced legislation to continue its work for another year.

CAREGIVING

In recognition of the contribution of family caregivers, the Ranking Minority Member for the fourth year introduced a resolution designating "Family Caregivers Week." For the third year, she also sponsored, with Senator Glenn, a forum on elder care entitled, "Sharing the Caring: Options for the 90's and Beyond."

SSI OUTREACH

The Chairman, exercising his dual responsibility as Chairman of the Aging Committee's Subcommittee on Human Services and as Acting Chairman of the Subcommittee on Human Resources, held a hearing in October in Central Islip, New York entitled, "SSI Outreach: Is the Federal Government Doing Enough?" The focus of the hearing was to determine whether the Federal government is doing enough to ensure that all eligible people are enrolled in the Supplemental Security Income Program. Particular emphasis was placed on an aggressive outreach program being an integral part of a national effort to help poor people.

Additionally, the Chairman held a meeting with the new Commissioner of the Social Security Administration and is optimistic that she is ready to develop an effective SSI outreach program within the Social Security Administration.

Finally, the Chairman, in his position on the House Ways and Means Committee, attempted to obtain additional funding for SSI outreach and to increase benefit payments for individuals and couples through the budget reconciliation bill. While the House receded in Conference, the Chairman has vowed to continue to work for these changes in the coming years.

INTERGENERATIONAL

The Chairman, again in his dual capacity as Acting Chairman of the Ways and Means Committee's Subcommittee on Human Resources, introduced language which was included in the Budget Reconciliation bill which would authorize the Secretary of Health and Human Services to conduct demonstration projects in ten communities. These demonstrations, some already operating under the leadership of the National Council on Aging through its "Family Friends" program, test the use of volunteer senior aids to provide basic medical assistance and support to families with moderately or severely disabled or chronically ill children. The demonstration would determine the contribution of such voluntary assistance to the reduction of the costs of care for these children. This program was developed with the support of the Robert Wood Johnson Foundation and operates throughout the nation.

The Ranking Minority Member introduced two bills with intergenerational impact. One bill amended the Domestic Volunteer Service Act to establish programs of national significance under the Older American Volunteer Programs such as respite care, literacy, reading skills training in libraries for latchkey children. The intent of the bill was incorporated into the final legislation which has been signed into law. The other bill, reintroduced from the 100th Congress, amended the Library Service and Construction Act to assist libraries in developing intergenerational services to match older volunteers with libraries interested in developing programs for unsupervised school children during afterschool hours.

GUARDIANSHIP

The Ranking Minority Member reintroduced legislation which would establish a bill of rights for adults who become wards of the courts because of physical or mental status. This issue is becoming of increasing concern as more older individuals in guardianship status become subject to unscrupulous practices without having basic legal protections.

DECEPTIVE MAILINGS

Misleading mail appearing to originate from the Federal government has been frequently targeted at the elderly, often offering to provide a service for a fee which is, in fact, available free of charge from the Federal government, or creating an impression that the product or service is endorsed by the Federal government. Because of her increasing concern about this practice, the Ranking Minority Member reintroduced two bills addressing deceptive mailings. One bill would require a disclaimer on mailing from nongovernmental organizations which send mailings that imply a Federal government connection. Legislation, based on this measure, passed the House of Representatives and is under consideration in the Senate. The other bill would require the Federal Trade Commission to study the pervasiveness and evaluate the degree of impact of this type of deceptive mailing.

OSTEOPOROSIS

For the fifth year, the Ranking Minority Member introduced a resolution to establish the week of Mother's Day as National Osteoporosis Prevention Week. She also initiated, together with the Chairman, a request to the Office of Technology Assessment for a study of the issues involved in the prevention and treatment of this significant public health problem which primarily affects older women. The Ranking Minority Member and the Chairman also sponsored an informational briefing on bone mass measurement for diagnosis of osteoporosis and the need for reimbursement under Medicare. In addition, the Ranking Minority Member spearheaded a letter to the Labor and Health and Human Services Appropriations Committee urging that more funding be targeted towards osteoporosis research.

ALZHEIMER'S DISEASE

The Chairman presented testimony at a Full Committee hearing on "Caring for America's Alzheimer's Victims." In his testimony, he re-affirmed his support for additional funding for Alzheimer's research, and pledged to work for a stronger Federal commitment to the victims of Alzheimer's disease and the family members who care for them.

In addition, because of her increasing concern about the human and financial devastation, the Ranking Minority Member introduced the "Alzheimer's Disease Research and Training Act of 1989." Based on the recommendations of the first Report of the Advisory Panel on Alzheimer's Disease, the bill would provide better services for individuals with Alzheimer's Disease and related dementias through improved biomedical research, health services research and training of health care personnel. She also introduced legislation which would provide tax deductions for the costs of home health care, adult day care and long term respite care for individuals who maintain a household which includes a dependent who has Alzheimer's disease or a related disorder. In June, she co-sponsored a congressional forum which focused on breakthroughs in biomedical research on Alzheimer's Disease and research on the results of stress on family caregivers.

RURAL HEALTH

The Ranking Minority Member has been active in addressing the problems of health care delivery in rural areas. Because of her concern that the elderly who live in rural areas need to be assured of access to quality health care, she held a field hearing with Senator Cohen in Maine which examined the challenges and innovative alternatives for rural hospitals, clinics, community based services and health care personnel.

RURAL TRANSPORTATION

The Ranking Minority Member testified at a field hearing in Maine of the Department of Transportation on issues relating to rural transportation, particularly for the elderly.

MENTAL HEALTH

The Chairman co-chaired a joint hearing of the Subcommittee on Human Services and the Select Committee on Aging on "Mental Health in Nursing Homes: Barriers and Solutions." The focus of this hearing was the lack of adequate mental health services for our nation's 1.3 million nursing home residents, the barriers encountered in providing those services and possible solutions.

SUBCOMMITTEE STAFF ACTIVITIES

The Subcommittee staff participated in conferences, workshops and meetings with a variety of different aging and health organizations. Among these were:

- Brookdale Center on Aging
- Catholic Golden Age

National Association of Social Workers
 Gerontological Society of America
 Adult Protective Services
 National Association of Area Agencies on Aging
 National Association of State Units on Aging
 National Institute of Senior Centers
 National Association of Nutrition and Aging Services Programs
 National Association of Meal Programs
 National Council on Aging
 Native American Leadership Council on Aging
 New York City Mayor's Alzheimer's Conference
 Workforce 2000: Older Workers Conference, AoA
 American Society on Aging
 Hospital Association of New York State
 Suffolk County Department for the Aging
 New York City Department for the Aging
 Oregon Gerontological Society
 National Meals on Wheels Foundation
 Meals on Wheels America
 Virginia Department for the Aging
 Families USA
 Joint Public Affairs of JASA/JPAC

HEARINGS

During the first session of the 101st Congress, the following hearings were held:

April 19.—Drug Misuse Among the Elderly and Its Impact on Community Based Care—Washington, D.C.

June 7.—Elder Abuse: An Assessment of the Federal Response—Washington, D.C.

June 23.—Drug Use and Misuse Among the Elderly (Rep. Morella)—Rockville, Maryland

June 26.—1991 White House Conference on Aging: Options and Strategies—Washington, D.C. (Joint Full Committee hearing)

July 19.—Expansion of Community Services to Special Elderly Populations—J.W. Marriott, Washington, D.C.

August 1.—Medicare's Drug Utilization Review: Is HCFA Following Congressional Intent?—Washington, D.C.

August 3.—Mental Health in Nursing Homes: Barriers and Solutions—Washington, D.C. (Joint Full Committee hearing)

September 18.—Health Care for the Rural Elderly: Innovative Approaches to Providing Community Services and Care—(Rep. Snowe/Sen. Cohen)—Bangor, Maine

October 2.—SSI Outreach: Is the Federal Government Doing Enough?—(Chairman)—Central Islip, New York

